

**VITAL SIGNS:**

**New Hampshire  
Economic and Social  
Indicators**

**1993-1996**

*a Labor Market Information Report*

*Prepared by*

Economic and Labor Market Information Bureau  
New Hampshire Employment Security  
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## ACKNOWLEDGMENTS

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We also wish to acknowledge the cooperation of numerous individuals in organizations, both public and private, who generously shared their data and their expertise with us and helped us to find those data items that we needed in order to make this compilation possible.

### THE STATE OF NEW HAMPSHIRE

Jeanne Shaheen, *Governor*

### EMPLOYMENT SECURITY

John J. Ratoff, *Commissioner*

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## **INTRODUCTION**

This annual review of New Hampshire economic and social indicators is designed to present, in a concise manner, many significant aspects of the state's economic, social, and environmental structure. Four years of data are reported, when available, in order to depict recent trends. Comparisons are made with other states, the region, or the nation as appropriate.

The data has been drawn from published reports or unpublished records of many state and federal government agencies and private organizations. We are indebted to the numerous individuals who contributed special information or provided advice on evaluating reported data. In order to conserve space in the tables of indicators, sources are identified by abbreviations in the right hand column. Attention should be paid to notations included with the line titles about data size and time intervals used. Fiscal year data are displayed under the second calendar year involved. For example, enrollments for the 1995-1996 school year are shown under 1996. Whenever possible, 1997 updates are reported along with other information in the summary analysis.

Some of the data items in the tables are available for substate areas. If you need additional data please contact the Economic and Labor Market Information Bureau at (603) 228-4124.

The observations expressed in this report do not necessarily reflect those of New Hampshire Employment Security, and no official endorsement should be inferred.

## **1996 NEW HAMPSHIRE HIGHLIGHTS**

New Hampshire's population estimate for 1996 was 1,162,000, an increase of 14,000 over 1995. The state has added 53,000 people since the 1990 decennial census. The natural increase rate dropped while the net in-migration rate rose. The median age in 1996, 35.1 years, was the lowest in New England, but higher than the median age for the nation.

### **Population**

The school-to-work program is in its third year, and about ninety percent of the school districts in the state are involved. Business involvement is approaching 1,200 work sites. New Hampshire students taking the SAT had an average score of 1,039—third highest among states administering the assessment test.

### **Education**

Through November 1997 the monthly unemployment rate was at or above 3.0 percent in only three months. The estimated number of New Hampshire residents employed in 1997 was the largest total ever recorded.

### **Labor Force and Unemployment**

New Hampshire nonfarm employment grew by 20,000 in 1996 and stood at 77,600 more than the recession low of 1991. About half the gain came from the Services division. The Construction division had the largest percentage gain, up 7.2 percent. The 1997 growth in nonfarm jobs will also be substantial.

### **Employment by Industry**

Total establishments in private industry grew by 3.5 percent. Fully fifty percent of all employees work at New Hampshire firms employing between 20 and 499 people. High tech establishments had a third straight year of growth in employment and average weekly wage.

### **Establishments in Private Industry**

New Hampshire had the fourth highest energy prices in the nation in 1993 and in 1994. The state ranked number one in electricity prices both years, a distinction consumers sought to relinquish through deregulation of the electric industry. Deregulation was scheduled to start in 1998, but is tied up in court.

### **Energy**

Value added by manufacture in New Hampshire reached a new height in 1995—\$8.7 billion. Exports increased dramatically from 1994 to 1996 with exports to Russia rising from slightly over a half billion dollars in 1994 to \$12 billion in 1996.

### **Production**

## **1996 New Hampshire Highlights continued**

### **Trade, Recreation, and Hospitality**

In 1996 retail sales jumped by nearly \$1.2 billion to \$14.2 billion with over forty percent of that increase coming from automobile dealers. The New Hampshire International Speedway hosted two Winston Cup races in 1997 with sold out crowds of about 88,000 each.

### **Construction and Housing**

The number of existing home sales and the average selling price rose in 1996. Permits for new construction were also up in 1996. Average permit value for new homes converged with the average resale price of existing homes.

### **Transportation and Traffic**

The major highways connecting New Hampshire and Massachusetts handled record traffic in 1996. Vehicle miles traveled in state and motor fuel consumption were up in 1996 with consumption increases outpacing the vehicle miles increases.

### **Finance and Banking**

1996 was another year of change for banking. The number of banks went down by 4 while the number of banking offices including branches was unchanged. Banking employment declined. Savings bank assets declined, but commercial bank assets rose.

### **Government Revenues and Expenditures**

The Business Profits Tax continues to be the largest source of revenue for the state, bringing in \$152.6 million. Insurance tax and securities revenue jumped by \$10 million. Equalized property valuation increased by \$1.5 billion in 1996.

### **Income, Wages, and Cost of Living**

Per capita personal income growth in 1996 was a full percentage point under the national average and New Hampshire dropped from seventh to eighth place among the states. Total annual wages paid in 1996 increased by nearly a billion dollars due to a combination of more people on the payrolls and higher wages.

### **Social Assistance**

New Hampshire's poverty rate has been consistently lower than both the U.S. and the Northeast region rates since 1980. The poverty rate of 6.5 percent was again the lowest in the nation. Implementation of welfare reform in New Hampshire has been a cooperative effort among state agencies.

### **Health**

In the ReliaStar State Health Rankings, New Hampshire improved from fourth place in 1996 to second place in 1997. The percentage of New Hampshire population without health insurance declined in 1996 to 9.5 percent, while the U.S. rate increased to 15.6 percent.

## 1996 New Hampshire Highlights continued

The 1996 crime index increase of 6.3 percent was the largest increase in the nation, but New Hampshire's index was still the lowest in New England and much lower than the nation. Only one state was deemed safer than New Hampshire in the 1997 Morgan Quitno rankings.

### Crime and Accidents

In 1996, for the first time since 1992, the Rye Harbor monitoring site did not exceed the O<sub>3</sub> air quality standard. Of the seven monitoring sites, this had been the only site to report an exceedence in 1995.

### Environment

## Change in Key Economic Indicators

Indicator	1994 to 1995		1995 to 1996		Section
	Change	% Change	Change	% Change	
Gross state product (1992 dollars-billions)	\$2.1	4.4%	\$1.5	2.9%	7
Retail sales (billions)	\$0.2	1.8%	\$1.1	9.1%	8
Home sales (average units per quarter)	-900	-5.6%	2,300	15.0%	9
Meals and rooms receipts (millions)	\$67.6	5.1%	\$76.7	5.5%	8
Electricity purchased (million KWH)	51	0.6%	105	1.2%	6
Bank assets (millions)	\$846	4.5%	\$538	2.8%	11
Non-performing loans (millions)	\$8.6	10.5%	\$39.4	43.4%	11
Bankruptcy filings	153	5.0%	485	15.1%	11
Income, per capita	\$1,450	6.0%	\$915	3.6%	13
Wages, average weekly	\$20.44	4.2%	\$24.45	4.8%	13
Population	13,000	1.1%	14,000	1.2%	1
School enrollment (K-12)	5,532	2.6%	5,589	2.4%	2
Labor Force:					
Employment	14,000	2.4%	-11,000	-1.8%	3
Unemployment	-4,000	-13.8%	1,000	4.0%	3
Nonfarm jobs	16,600	3.2%	20,000	3.7%	4
Vehicle registrations	7,383	0.8%	16,792	1.8%	10
Persons below poverty level	7.6%	--	6.5%	--	14
Criminal offenses	-681	-2.2%	2,325	7.6%	16
Traffic accidents	2,727	10.4%	8,640	29.9%	16

# 1. POPULATION

Many people already knew that New Hampshire was one of the best places to live before *Money Magazine* published the results of their Best Places to Live survey for 1997 and included three New Hampshire cities in the top ten. In-migration propelled the 1996 population growth in New Hampshire to the largest rate of increase in the Northeast Census Region (New York, New Jersey, Pennsylvania, and the New England states), and the 14th largest rate of increase in the nation.

On June 30, 1996 the estimated population of 1,162,000 was 1.2 percent more than the 1995 population. In the Northeast Census Region, only New Jersey and Massachusetts gained more people in 1996 than New Hampshire's 14,000 new residents, but their rate of increase was less than half the New Hampshire rate.

The total population change is the sum of the difference between births and deaths (natural increase) and the difference between in-migration and out-migration. During the early part of this decade,

New Hampshire net out-migration was more than the natural increase, and the state lost population in 1991. By 1992 out-migration had slowed and was easily offset by the natural increase. Until 1995 the population grew through both natural increase and migration with natural increase contributing the most.

**New Hampshire continued to have a median age lower than any other state in the northeast**

A declining birth rate has changed that. In 1995 the birth rate declined to the point where the increase from net migration was greater than the natural increase. Migration also contributed more than the natural increase to the 1996 population growth.

From the last census through 1995, Vermont had the largest rate of growth in the Northeast Census Region and New Hampshire had the next largest. In 1996 that changed. The rate of growth

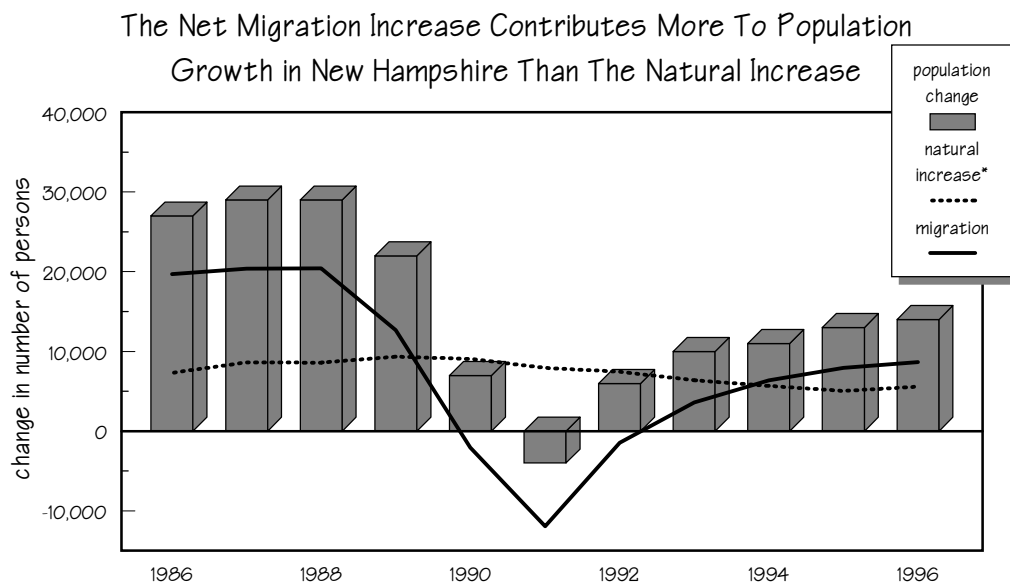


Figure 1.a: Factors of Population Change, Natural Increase\* and Net Migration

\* natural increase = live births - deaths, estimated from number of occurrences

for the period is now 4.8 percent for New Hampshire and 4.6 percent for Vermont. While Connecticut did post a small gain of 0.1 percent in 1996, it and Rhode Island are the only states in the nation to lose population since the census, down 0.4 percent and 1.3 percent, respectively. Massachusetts and Maine managed modest and identical rates of growth of 1.3 percent. Fourteen states, led by Nevada at 33.4 percent and Arizona at 20.8 percent, had double digit rates of growth. Only three of the fourteen (Georgia, Florida, and North Carolina) were east of the Mississippi River.

New Hampshire continued to have a median age that was higher than the median age for the nation and lower than any other state in the northeast. The median age for New Hampshire was 35.1 years compared to the 1996 median age of 34.6 years for the nation and 35.8 years for the region. With the increase of 0.4 years from 1995 to 1996, the median age for the state was 2.4 years higher than it was at the last census.

The population distribution for the state had some similarities with the national distribution and also some notable differences. In 1996 the under 5 age group in New Hampshire was about 8,000 less than counted by the 1990 census, while this age group has grown nationally. The 18-24 age group declined both in the state (down 24,000) and in the nation, but the decline, as a percentage, was much steeper here. The largest difference between the state and the nation was in the 25-44 age group. This age group accounted for 34.7 percent of the New Hampshire population compared with 31.6 for the nation. The percentage of New Hampshire residents ages 65 and over (12.0 percent) was less than for the nation (12.8 percent).

The vital records data for 1996 are not strictly comparable to 1995. The data for 1993 to 1995 are counts for events occurring to New Hampshire residents even if the event occurred outside the state. Since there is a delay in the dissemination of residence data among the states, the numbers for 1996 were not available. Instead the 1996 numbers were based on in-state occurrences. Occurrence statistics reflect where the event occurs without regard to residency.

*Raymon Aldrich*

### Age Groupings Show Where Population Increases and Decreases Are Occuring

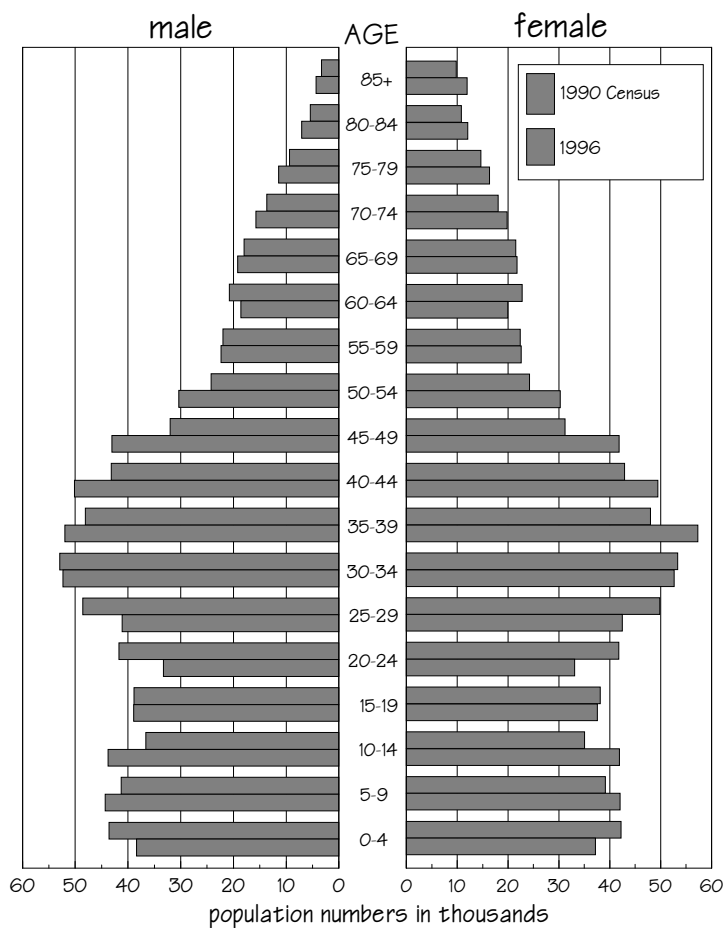


Figure 1.b: New Hampshire Male/Female Population Distribution By Age 1990 and 1996



<b>1. POPULATION</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>Source</b>
<b>RESIDENT POPULATION</b>					
Population, July 1st (thousands)	1,124	1,135	1,148	1,162	CB/OSP
Annual percent change	0.9%	1.0%	1.1%	1.2%	CB/NHES
United States rank	4-way Tie 29	Tie 20	17	14	CB/NHES
Percent of change since last census	1.4%	2.4%	3.5%	4.8%	CB/NHES
Population, Males	551,000	557,100	564,000	572,000	CB/OSP
Population, Females	573,000	578,300	584,000	590,000	CB/OSP
<b>DISTRIBUTION BY AGE</b>					
Under 5 years	7.3%	7.0%	6.6%	6.5%	CB
5 to 17 years	18.0%	18.6%	19.0%	18.9%	CB
18 to 24 years	9.6%	8.8%	8.4%	8.1%	CB
25 to 44 years	34.1%	34.6%	34.7%	34.7%	CB
45 to 64 years	19.1%	19.1%	19.4%	19.7%	CB
65 years and over	11.9%	12.0%	11.9%	12.0%	CB
<b>MEDIAN AGE</b>					
United States	33.7	34.0	34.3	34.6	CB
New England	34.7	35.1	35.4	35.8	CB
New Hampshire	34.1	34.4	34.7	35.1	CB
Connecticut	35.3	35.6	35.9	36.2	CB
Maine	35.3	35.7	36.1	36.6	CB
Massachusetts	34.4	34.8	35.1	35.6	CB
Rhode Island	34.8	35.0	35.4	35.8	CB
Vermont	34.5	34.9	35.3	35.7	CB
<b>VITAL RECORDS<sup>a</sup></b>					
Marriages	9,618	9,950	9,803	9,948	VS
Marriage rate (per 1,000 population)	8.5	8.8	8.5	8.7	VS
Divorces	5,058	5,110	4,949	5,273	VS
Divorce rate (per 1,000 population)	4.5	4.5	4.3	4.6	VS
Live births	15,417	15,092	14,576	14,008	VS
Birth rate (per 1,000 population)	13.7	13.3	12.7	12.2	VS
Births to teenage mothers	1,051	1,058	n/a	n/a	VS
Percent of total live births	6.8%	7.0%	n/a	n/a	VS
Non-marital births (percent of total)	20.6%	22.1%	n/a	n/a	VS
Late or no prenatal care (percent of live births)	1.6%	1.9%	n/a	n/a	VS
Resident deaths	8,843	8,895	9,196	9,243	VS
Crude death rate (per 1,000 population)	7.9	7.8	8.0	8.1	VS
AIDS related death rate (per 100,000 population)	3.2	3.4	n/a	n/a	VS
Infant death rate (per 1,000 live births)	5.6	6.1	n/a	n/a	VS
Natural increase rate (per 1,000 population)	5.9	5.5	4.7	4.1	VS
Net in-migration rate (per 1,000 population)	3.1	4.3	6.7	8.1	NHES
<sup>a</sup> 1996 Vital Records data are occurrences; other years are residential data					

## 2. EDUCATION

School-to-work legislation mandated use of, and involvement with, labor market information. In accordance with this dictum, the Economic and Labor Market Information Bureau of New Hampshire Employment Security created and produced a series of nine posters to work in conjunction with the school-to-work initiative. The posters

Another mandate in school-to-work legislation was that organized labor be involved. In 1997 labor participation increased. New Hampshire AFL-CIO has implemented a school-to-work outreach program. Labor members are linking with students, offering work-based learning in labor shops. Curriculum topics are being developed on workers' rights, collective bargaining, health and safety issues, and labor history.

### About ninety percent of the school districts in the state are formally involved in a school-to-work partnership

depicted eight economic clusters such as manufacturing, education, and computer science with representative occupations likely to occur within each sector, along with the education required for each occupation and its annual wage. Symbols identified those occupations projected to experience rapid growth and those expected to decline. A ninth poster promoted the apprenticeship program. Two informational brochures, one for students and one for employers, accompanied the apprenticeship posters. These posters were offered at no charge to every high school, middle school, and junior high school in New Hampshire.

Funding in the 1997-98 school year for school-to-work is \$3.187 million. This is the third year of a five year \$13.5 million grant. Much of the thrust of the third year has been sustainability. Local partnerships are developing a three-year strategic plan to ensure the initiative will continue when this grant funding no longer exists.

About ninety percent of the school districts in the state are formally involved in a school-to-work partnership. As school-to-work gets beyond its fledgling stage, schools can track the career paths of those first students exiting the program. Both the state and federal Departments of Education have devised surveys to assess the strength and direc-

Enrollment Was At An All Time High For All Grade Levels Except Grade 5 In 1996-97

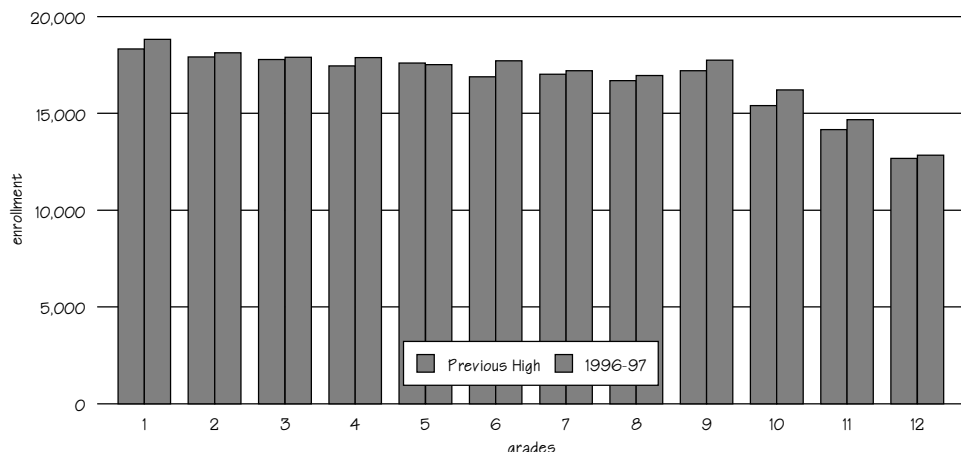


Figure 2.a: New Hampshire School Enrollments by Grade for 1996-97 and the Previous High

tion of each of these programs. Preliminary highlights, with slightly over half the partnerships responding to the 1997 Baseline School-to-Work survey from the New Hampshire Department of Education, claim business involvement approaching 1,200 work sites.

## Assessment

On March 24, 1997, New Hampshire applied for funding from the Goals 2000: Educate America Act. In prior years the New Hampshire Board of Education had refused to apply for the federal monies. Sixty-two proposals were submitted by school districts. Thirty were approved and \$1,555,276 was spread among them. An additional \$172,088 was returned to the state for its administration costs.

Twenty-seven of the approved proposals were for planning or implementation of a local education improvement plan (LEIP). The remaining three were to improve instruction in terms of New Hampshire Education Improvement and Assessment Program (NHEIAP). The goals of (NHEIAP) are:

- Define what students should know and be able to do.
- Develop and implement methods for assessing that learning and its application.
- Report assessment results to all citizens of New Hampshire.
- Provide accountability at all levels.
- Use assessment results, at both the state and local levels, to improve instruction and advance student learning.

The most visible end of these goals has been assessment testing. Nearly all New Hampshire third, sixth, and tenth graders again took assessment tests in May 1997. This was the fourth year for third graders and the results have improved in each of those years. The percentage of students performing at an advanced level in language arts has risen

every year of the four year span. Those performing at the lowest level, novice, had decreased in each of the first three years. In 1997 the percentage crept up somewhat. The results in mathematics were likewise positive. The percentage at the advanced level again saw a substantial increase; the number in the novice category decreased.

In the second year of testing sixth and tenth graders very little changed. Few

Grade Three				
Subject	Advanced	Proficient	Basic	Novice
Language Arts	5%	25%	42%	24%
Mathematics	13%	26%	42%	17%
Grade Six				
Subject	Advanced	Proficient	Basic	Novice
Language Arts	2%	16%	39%	40%
Mathematics	1%	10%	33%	55%
Science	<1%	7%	22%	68%
Social Studies	4%	9%	35%	49%
Grade Ten				
Subject	Advanced	Proficient	Basic	Novice
Language Arts	1%	8%	60%	24%
Mathematics	5%	18%	27%	44%
Science	2%	17%	26%	50%
Social Studies	1%	13%	23%	59%

sixth graders attained at the advanced level, especially in language arts, mathematics, and science. More students were novices than any other category. Tenth graders were strongest in mathematics. Their language arts skills, while not advanced, were neither at the novice level. The students were weakest in science and social studies. These results for both grades mirror 1996.

## Scholastic Assessment Test (SAT)

Once again the scores recorded on the Scholastic Assessment Test (SAT) by New Hampshire students ranked among the tops in the nation in 1997. With seventy percent of the graduates in the state taking the test, the average score was 1,039, up five points from 1996. The increase was primarily in the mathemat-

2. EDUCATION	1993	1994	1995	1996	Source
ELEMENTARY AND SECONDARY EDUCATION SCHOOL					
ENROLLMENT, fall, public & private (includes preschool)	204,011	209,150	214,682	219,771	DE
Growth rates: Total	2.4%	2.5%	2.6%	2.4%	DE/NHES
First grade	2.2%	1.4%	1.1%	2.6%	DE/NHES
Twelfth grade	-0.8%	2.5%	1.0%	1.3%	DE/NHES
Career Tech enrollment (secondary) public schools	10,930	10,903	10,821	11,037	DE
Percent of 9th & 10th grade	9.2%	11.6%	8.1%	8.6%	
Percent of 11th & 12th grade	29.5%	31.7%	31.3%	31.0%	DE/NHES
Pupil-teacher ratio (public schools)	15.5	15.6	15.7	n/a	UED
United States rank (including D.C.)	16 tie	17	18 tie	n/a	UED/NHES
Average Salary of Instructional Staff (public schools)	\$34,121	\$39,564	\$39,564	\$42,188	UED
United States rank	22	23	16	13	UED/NHES
HIGH SCHOOL GRADUATES (Public schools)					
Graduation rate (not adjusted for migration)	78.4%	78.3%	74.9%	n/a	UED
United States rank (including D.C.)	16 Tie	16	21	n/a	UED
Total number of graduates (public)	9,992	9,708	10,117	10,046	DE
Enrolled in four-year college	47.7%	48.2%	52.5%	51.5%	DE
Enrolled in less-than four year college	16.9%	16.4%	14.6%	15.8%	DE
Employed or in armed forces	29.9%	30.0%	28.4%	32.8%	DE
CAREER TECHNOLOGY SECONDARY COMPLETERS					
High School Technical Program Completers	2,876	2,762	2,651	n/a	DE
SCHOLASTIC ASSESSMENT TEST (SAT)					
National average	1,029	1,025	1,035	1,034	UED
Rank (among the 23 states and D.C. who administer test)	1,003	1,003	1,010	1,016	UED
Percent of high school graduates taking test	2	2	3-tie	3	UED
	78%	69%	70%	70%	UED
EXPENDITURES PER PUPIL (average)					
Total, Net, all purposes (school year)	\$6,044	\$6,084	\$6,449	\$6,731	DE
Annual percent change	-0.9%	0.7%	6.0%	4.4%	DE/NHES
Instruction expenditures	\$4,033	\$3,962	\$4,080	\$4,258	DE
Current expenditures/pupil in ave. daily attn.	\$5,791	\$5,723	\$5,859	n/a	UED
Expenditures as % per capita income:					
New Hampshire	25.3%	23.8%	22.9%	n/a	UED/NHES
United States	26.9%	26.2%	25.8%	n/a	UED/NHES
United States rank (1=highest)	35	42	44	n/a	UED/NHES
Revenue sources, percent of total school revenues:					
State funds	7.9%	8.2%	7.3%	n/a	UED
National average	45.6%	45.2%	46.8%	n/a	UED
United States rank (excluding D.C.)	50	50	50	n/a	UED
Local and other <sup>a</sup> funds	88.9%	86.2%	87.3%	n/a	UED
National average	47.4%	45.1%	43.8%	n/a	UED
United States rank (excluding D.C.)	1	1	1	n/a	UED
Federal funds	3.1%	3.2%	3.1%	n/a	UED
National average	6.9%	7.0%	6.8%	n/a	UED
United States rank (excluding D.C.)	50	50	50	n/a	UED

2. EDUCATION (Continued)	1993	1994	1995	1996	Source
POSTSECONDARY EDUCATION					
NEW HAMPSHIRE COMMUNITY TECHNICAL COLLEGES					
Postsecondary Graduates	1,688	1,569	1,640	1,533	PSV
Number employed full-time after six months	929	982	910	997	PSV
Percent working full-time	55.0%	62.6%	55.5%	65.0%	PSV
Percent of those working in New Hampshire	79.8%	81.6%	83.6%	84.0%	PSV
Number continuing education	251	204	237	169	PSV
Percent continuing education	14.9%	13.0%	14.5%	11.0%	PSV
ENROLLMENT, fall total, two- and four-year institutions	64,041	62,753	64,406	64,487	PEC
DEGREES GRANTED BY N.H. COLLEGES	13,552	13,425	14,039	13,809	PEC
Associate degrees	3,343	3,348	4,077	3,282	PEC
Bachelor degrees	7,524	7,546	7,395	7,787	PEC
Postgraduate degrees including first professional degrees	2,580	2,531	2,567	2,740	PEC
By Selected Concentration:					
Business management and administration	3,810	3,584	3,829	3,486	PEC
Health sciences including M.D.	1,146	1,152	1,431	1,531	PEC
Engineering	737	669	651	547	PEC
Computer and information sciences	376	350	339	323	PEC
<sup>a</sup> includes gifts, tuition, and fees from patrons					

ics section where scores increased from 514 to 518. New Hampshire maintained its third place ranking among those twenty-three states and the District of Columbia where over forty percent of the graduates take the test. (In the remainder of the states most graduates have American College Testing (ACT) as the preferred assessment vehicle.)

Oregon, where fifty percent of the graduates took the test and attained an average score of 1,049 and Washington, where forty-six percent of the graduates took the test and attained an average score of 1,046, were the only states to outpace the New Hampshire graduates. Alaska, with whom New Hampshire tied in 1996, fell just shy with a score of 1,037. In all, forty-two percent of the nation's 1997 graduates took the SAT and garnered an average score of 1,016, up three points from 1996.

## Technology

Through a massive volunteer effort, many New Hampshire schools now have

Internet access. November 1, 1997 was designated "NetDay-New Hampshire." The coordinators worked with corporate volunteers to develop the wiring plans for each school. Businesses donated goods and services and offered both expertise and elbow grease. As a result, sixty-six schools are wired. More schools will join the ranks of the wired when the second NetDay happens in the early 1998.

The Technology Challenge Grant has made \$1 million available to be split among nineteen school districts. Second year funding will be for \$2.25 million. The school districts must have a three- to five-year technology plan. It is to be based on four pillars—infrastructure, hardware, software, and teacher training. The first year grants are heavily weighted toward the poorer school districts. Second year grants will be less influenced.

Two businesses are combining to bring Internet capabilities and high speed Internet access to all the schools in the state. Bell Atlantic has offered each school and library a new business tele-

phone line or a high capacity 56K frame relay circuit. Cabletron is providing access to networking equipment. The cost to the two companies will be about \$5 million.

The E-Rate, universal service telecommunication discounts for schools and libraries, offers \$2.25 billion to the states from the federal government. Much of the money comes in the form of discounted telecommunication rates to schools and libraries. The size of the discount is tied to the school cafeteria rate.

### Charter Schools

Nationwide, charter schools are continuing to increase in numbers. Twenty-three of the thirty states which allow charter schools now have at least one in existence. About 300 new charter schools opened their doors for the 1997-98 school year. In New Hampshire, however, initial efforts have been unsuccessful. The most serious proposal was in Londonderry where the charter

made it to the final step in the process. There it was voted down in a school district election.

During 1997 two towns put forth proposals that will be voted on in March 1998. Pelham residents have proposed a school for grades 1 through 4; Tamworth for grades 9 through 12. Both schools could conceivably open for the 1998-99 school year.

### Noteworthy Development

On December 17, 1997 the New Hampshire State Supreme Court ruled that the "present system selected and crafted by the State to fund public education is unconstitutional." Further it stated: "the present funding mechanism may remain in effect through the 1998 tax year."

*Martin Capodice*

Of The \$313 Per Pupil Increase in Expenditures in 1995-96, \$178 Were in Instruction Cos

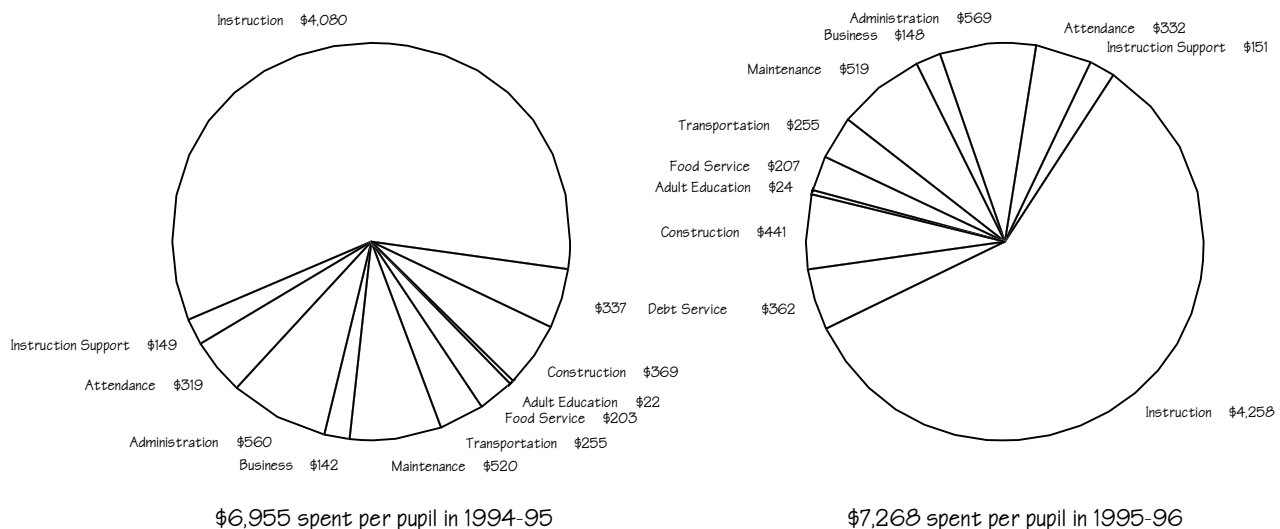


Figure 2.b: New Hampshire Per Pupil Expenditures for the 1994-95 and 1995-96 School Years

### 3. LABOR FORCE AND UNEMPLOYMENT

The estimates for 1997 show significant growth in both the labor force and the number employed. According to preliminary data, the 1997 labor force was approximately 650,000 and the number employed was about 630,000. Both represent a substantial increase from the 1996 numbers on the following pages. As this goes to print, 1996 data is still preliminary. Other data suggests that the 1996 estimates for the labor force and the number employed may have been too conservative and will be revised upward during the benchmarking process.

For most of 1997 the monthly unemployment rates for the state were below 3.0 percent. Carroll, Grafton, and Merrimack counties fell below 2.0 percent for parts of 1997. When the annual unemployment rates for 1997 are determined, New Hampshire will have the lowest rate in New England. The only question is by how much. The 1997 unemployment rate should rank even better than the 1996 showing of 10th lowest in the nation.

The average duration for unemployment benefits was 9.79 weeks in 1996, down from 10.04 in 1995. Only two states

were lower. The average duration for unemployment benefits is not the same as the average length of unemployment, which was 15.5 weeks. Reasons such as continued unemployment after benefits are exhausted help cause the difference between the two figures. Also, some people may be ineligible for benefits, and others may not be immediately eligible.

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**The monthly unemployment rates for Carroll, Grafton, and Merrimack counties fell below 2.0 percent for part of 1997**

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Unemployment rates in 1996 for New Hampshire's "experienced" labor force declined in the manufacturing division and in the finance, insurance, and real estate division. The services division was unchanged and the rates for the other divisions were up. (In this context experienced means previous employment in that industry or occupation.)

The civilian labor force is those people who are employed plus those who are unemployed and actively looking for a job. The participation rate is computed

The New Hampshire Rate Diverged Even Further From the National Rate in 1997

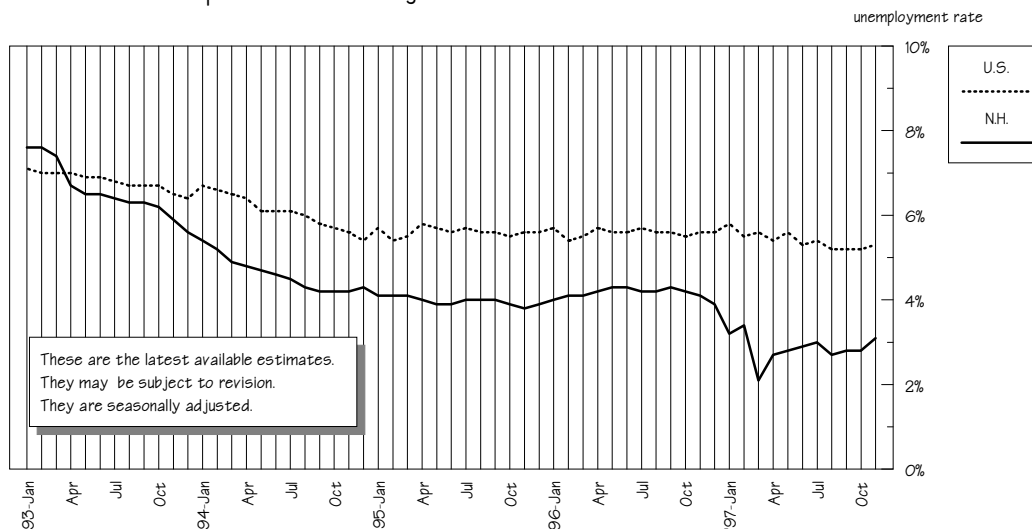


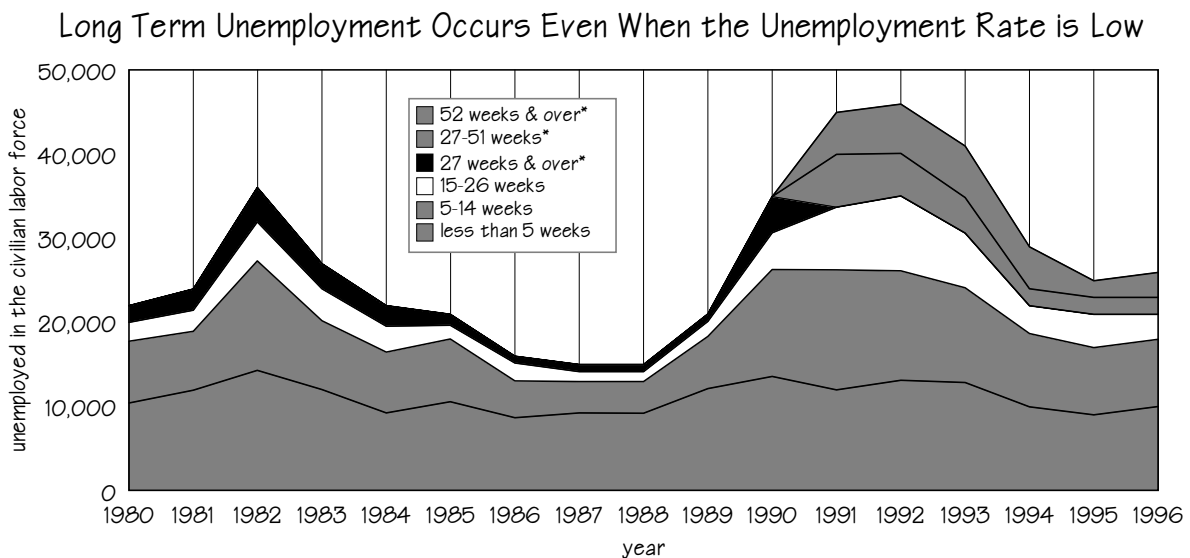
Figure 3.a: NH and US Unemployment Rate Estimates

3. LABOR FORCE AND UNEMPLOYMENT	1993	1994	1995	1996	Source
CIVILIAN LABOR FORCE (annual average)	616,000	624,000	634,000	624,000	BLS
Annual percent change	1.0%	1.3%	1.6%	-1.6%	BLS/NHES
Labor force participation rate	72.1%	72.2%	72.5%	70.2%	BLS
United States rank	5	8	6	n/a	BLS
Male participation rate	80.0%	78.8%	80.2%	78.2%	BLS
United States rank	5	tie 10	4	n/a	BLS
Female participation rate	64.5%	65.7%	65.3%	62.9%	BLS
United States rank	8	Tie 5	Tie 8	n/a	BLS
EMPLOYED (annual average)	575,000	595,000	609,000	598,000	BLS
Annual percent change	1.8%	3.5%	2.4%	-1.8%	BLS/NHES
Work full-time (35 hours or more per week)	80.5%	79.0%	80.1%	80.4%	BLS
UNEMPLOYED (annual average)	41,000	29,000	25,000	26,000	BLS
Unemployment rate (annual average)					
New Hampshire	6.6%	4.6%	4.0%	4.2%	BLS
United States rank (1=lowest)	30	9	8	tie-10	BLS
New England	6.8%	5.9%	5.4%	4.8%	BLS
United States	6.8%	6.1%	5.6%	5.4%	BLS
Men					
New Hampshire	7.0%	4.4%	3.7%	3.9%	BLS
New England	7.7%	6.2%	5.6%	n/a	BLS
United States	7.1%	6.2%	5.6%	n/a	BLS
Women					
New Hampshire	6.1%	4.8%	4.3%	4.5%	BLS
New England	5.6%	5.6%	5.1%	n/a	BLS
United States	6.5%	6.0%	5.6%	n/a	BLS
Teenagers (16-19)					
New Hampshire	13.2%	14.1%	11.8%	15.3%	BLS
New England	14.4%	14.1%	13.7%	n/a	BLS
United States	19.0%	17.6%	17.3%	n/a	BLS
Unemployment of the "experienced" civilian labor force	6.2%	4.5%	3.8%	4.0%	BLS
By occupation:					
Executive, administrative, and managerial	4.5%	2.8%	2.7%	2.2%	BLS
Professional specialty	3.8%	2.1%	1.4%	1.9%	BLS
Technicians and related support	4.7%	5.4%	6.1%	3.2%	BLS
Sales	5.3%	3.0%	4.0%	4.4%	BLS
Administrative support, including clerical	5.9%	3.8%	3.6%	2.7%	BLS
Service occupations	5.4%	6.2%	5.4%	8.3%	BLS
Precision production, craft, and repair	8.3%	6.7%	4.9%	2.9%	BLS
Machine operators, assemblers, and inspectors	8.9%	7.3%	3.3%	4.1%	BLS
Transportation and material moving	8.6%	4.8%	2.5%	7.8%	BLS
Handlers, equipment cleaners, helpers, laborers	14.8%	8.7%	7.9%	10.9%	BLS
By industry:					
Construction	14.0%	12.9%	6.8%	7.6%	BLS
Manufacturing	7.9%	4.4%	4.3%	2.9%	BLS
Durable goods	8.1%	3.8%	3.7%	2.5%	BLS
Nondurable goods	7.3%	5.8%	5.7%	3.9%	BLS
Transportation, communication, and utilities	4.6%	2.0%	1.9%	3.9%	BLS
Trade	7.0%	4.7%	4.7%	6.2%	BLS
Finance, insurance, and real estate	3.2%	6.4%	4.1%	2.5%	BLS
Services	6.0%	3.8%	3.9%	3.9%	BLS
Government	3.1%	4.4%	1.5%	3.2%	BLS



3. LABOR FORCE AND UNEMPLOYMENT (Continued)	1993	1994	1995	1996	Source
UNEMPLOYED (annual average)					
Percent of total unemployed:					
Unemployed 15 weeks or more	41.2%	35.6%	31.2%	3.8%	BLS
United States rank (1=lowest)	42	36	34	n/a	BLS
Unemployed because lost job	57.1%	54.5%	44.3%	46.2%	BLS
United States rank (1=lowest)	37	45	Tie 20	n/a	BLS
UNEMPLOYMENT INSURANCE					
Weeks compensated for unemployment (UI)	296,334	284,414	224,708	231,988	NHES
Benefits paid, unemployment insurance (thousands)	\$44,261	\$43,539	\$39,974	\$42,021	NHES
Average duration, benefit payments (weeks)	11.08	11.42	10.04	9.79	UIS
United States average	15.94	15.51	14.73	14.89	UIS
United States rank (1=lowest)	2	7	4	3	UIS/NHES
Average benefits paid per covered worker	\$85.45	\$82.02	\$64.30	\$66.53	UIS
United States rank (1=lowest)	5	5	3	3	UIS/NHES
National average	\$205.11	\$199.08	\$189.62	\$189.54	UIS
Average weekly benefit amount					
New Hampshire	\$141.55	\$145.85	\$147.58	\$153.25	UIS
United States	\$179.63	\$182.19	\$187.30	\$189.39	UIS
LABOR DISPUTES					
Number	1	5	3	0	NHES
Employees involved	40	321	363	0	NHES

Note: Items may not add due to rounding



## Those of Age 16-19, Both Sexes, Are More Likely to Cease Labor Force Participation When Unemployment Is High

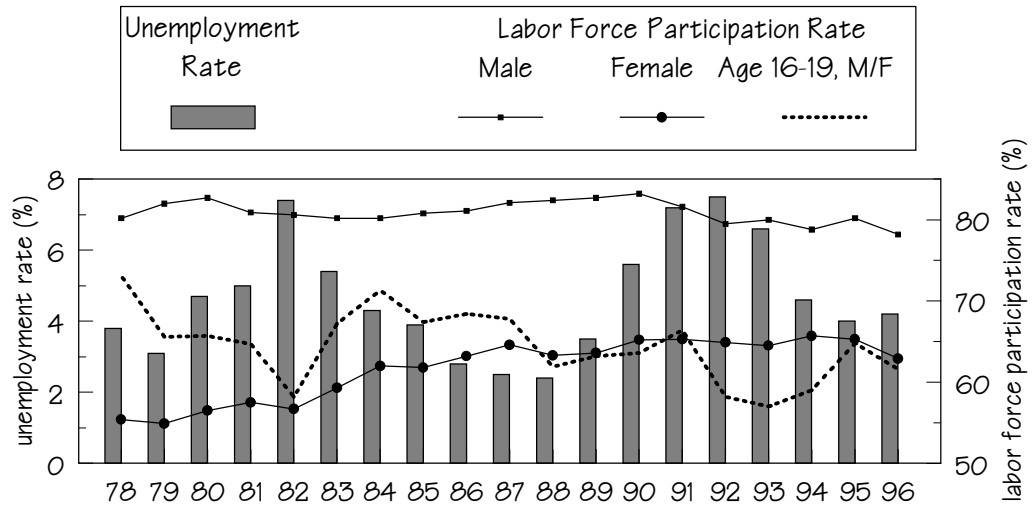


Figure 3.c: Male, Female, and Age 16-19 Labor Force Participation Rates Compared with Unemployment Rate, 1978-1996

by dividing the civilian labor force by the civilian noninstitutional population age 16 years and over. New Hampshire has had one of the highest labor force participation rates in the country for several years, ranking in the top ten states by total and by gender. The labor force participation rate for men has fluctuated in a very narrow range since 1978. The participation for women has climbed nearly 8 percentage points during that

period. The unemployment rate had little impact on the participation rates for men and women, but the teenager participation rate dropped during periods of high unemployment. In spite of the improved economy, the participation rate in 1996 for teenagers was only three percentage points higher than it was in 1992.

*Raymon Aldrich*

## 4. EMPLOYMENT BY INDUSTRY

For the fifth consecutive year, New Hampshire nonfarm employment grew at a faster pace than the rate for New England and the rate for the nation. The Current Employment Statistics program's estimate of nonfarm jobs for 1996 was 20,000 more than in 1995, and 77,600 more than the recession low of 1991. While the rates of growth for both New England and the nation were less than in 1995, the 1996 rate for New Hampshire was greater than the rate of growth in the previous year. Also, New Hampshire differed from the nation in kinds of new jobs created in 1996.

Employment changes in the manufacturing division probably receive more attention nationally than the changes in any other division. The small but steady manufacturing employment gains in New Hampshire seem to be obscured by all the rhetoric about whether or not the nation is losing manufacturing jobs. During each of the last four years, the state has added manufacturing jobs, New England has lost manufacturing jobs, and the nation has gained in two and lost in two. New Hampshire's cumulative gain in manufacturing jobs

during this period was 7.4 percent. Vermont was the only other New England state with an increase in manufacturing employment, up 5.0 percent. According to data from the Bureau of Labor Statistics, national manufacturing employment has risen by 1.9 percent since 1992.

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### New Hampshire has added manufacturing jobs during each of the last four years

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The resurgent construction division had the largest percentage gains in both 1995 and 1996, and led all divisions with the largest cumulative gain (27.6 percent) for the four years covered by this report. Nationally, construction employment rose by 20.2 percent during the period.

The services division had the second largest percentage gain in 1996 (6.8 percent) and the second largest four-year cumulative gain, 25.3 percent. This division added 32,800 jobs during the period. About half the new jobs in the services division were in industries with

The Growth in New Hampshire Nonfarm Employment Continued in 1997

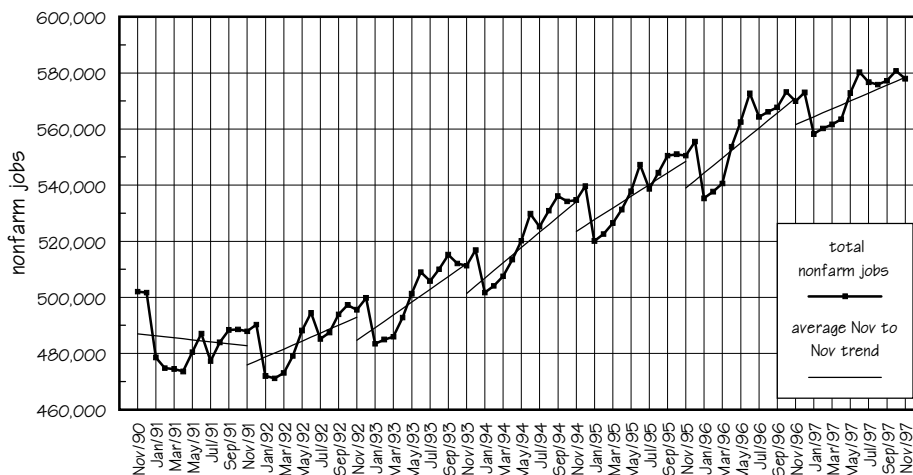


Figure 4.a: Total Nonfarm Employment  
November 1990 to November 1997

4. EMPLOYMENT BY INDUSTRY	1993	1994	1995	1996	Source
NONFARM WAGE AND SALARY EMPLOYMENT					
ANNUAL EMPLOYMENT AVERAGES (1996 preliminary)					
All industries	502,400	523,100	539,700	559,700	NHES
Private	428,100	447,000	463,500	480,900	NHES
Goods producing	114,900	118,600	122,400	125,900	NHES
Construction	16,800	17,800	19,400	20,800	NHES
Manufacturing	97,600	100,300	102,600	104,600	NHES
Durable goods manufacturing	65,700	67,600	69,500	71,600	NHES
Industrial machinery and equipment	19,000	19,100	18,800	18,700	NHES
Electronic & other electric equipment	13,600	14,900	16,800	18,100	NHES
Instruments and related products	11,500	10,700	10,800	11,200	NHES
Nondurable goods manufacturing	31,900	32,700	33,100	33,100	NHES
Paper	4,700	4,700	4,700	4,500	NHES
Printing and publishing	7,500	7,900	7,800	7,600	NHES
Rubber and misc. plastics products	8,200	8,800	9,000	9,200	NHES
Service Producing	387,600	404,600	417,300	433,800	NHES
Transportation and public utilities	18,100	19,000	19,500	19,500	NHES
Wholesale trade	23,100	24,000	25,800	26,400	NHES
Retail trade	105,900	110,900	115,100	118,400	NHES
Finance, insurance, and real estate	29,500	29,300	28,600	28,200	NHES
Services	136,600	145,200	152,100	162,400	NHES
Health services	42,000	43,600	45,600	48,000	NHES
Hospitals	17,700	18,400	18,900	19,500	NHES
Federal, state, and local government	74,400	76,200	76,200	78,900	NHES
ANNUAL EMPLOYMENT PERCENT CHANGES					
All industries					
New Hampshire	3.3%	4.1%	3.2%	3.7%	NHES
New England	-0.8%	1.4%	2.0%	1.7%	NHES/BLS
United States	2.0%	3.1%	2.6%	2.0%	NHES/BLS
Private					
New Hampshire	3.4%	4.4%	3.7%	3.8%	NHES
New England	-0.8%	1.5%	2.1%	1.8%	NHES/BLS
United States	2.1%	3.4%	3.0%	2.2%	NHES/BLS
Manufacturing					
New Hampshire	0.2%	2.8%	2.3%	1.9%	NHES
New England	-2.3%	-2.3%	-1.3%	-0.8%	NHES/BLS
United States	-0.2%	1.4%	1.1%	-0.4%	NHES/BLS
Durable goods					
New Hampshire	-0.9%	2.9%	2.8%	3.0%	NHES
United States	-0.5%	2.2%	2.2%	0.8%	NHES/BLS
Nondurable goods					
New Hampshire	2.6%	2.5%	1.2%	0.0%	NHES
United States	0.4%	0.2%	-0.4%	-1.9%	NHES/BLS
Construction					
New Hampshire	3.1%	6.0%	9.0%	7.2%	NHES
United States	3.9%	6.8%	3.5%	4.7%	NHES/BLS
Transportation, Communications, Public Utilities					
New Hampshire	4.6%	5.0%	2.6%	0.0%	NHES
United States	1.9%	2.8%	2.3%	2.1%	NHES/BLS
Wholesale Trade					
New Hampshire	6.9%	3.9%	7.5%	2.3%	NHES
United States	-0.3%	3.0%	3.5%	1.6%	NHES/BLS
Retail Trade					
New Hampshire	3.8%	4.7%	3.8%	2.9%	NHES
United States	2.2%	2.7%	3.3%	2.1%	NHES/BLS

4. EMPLOYMENT BY INDUSTRY (Continued)	1993	1994	1995	1996	Source
Finance, Insurance, and Real Estate					
New Hampshire	1.4%	-0.7%	-2.4%	-1.4%	NHES
United States	2.3%	2.1%	-1.3%	1.4%	NHES/BLS
Services					
New Hampshire	5.4%	6.3%	4.8%	6.8%	NHES
United States	3.9%	4.6%	4.9%	3.8%	NHES/BLS
Federal, State, and Local Government					
New Hampshire	2.5%	2.4%	0.0%	3.5%	NHES
United States	1.1%	1.5%	0.9%	0.7%	NHES/BLS

above average wages (business services; health services; and engineering, accounting, research, management, and related services).

Wholesale trade and retail trade have posted four-year cumulative gains of 22.2 percent and 16.1 percent respectively. Employment in the transportation, communications, and public utilities division increased by 12.7 percent, and government rose by 8.7 percent. The finance, insurance, and real estate division lost jobs for the third year in a row, and was down 3.1 percent for the period, compared to a 4.5 percent increase for the nation.

The annual benchmarking process will revise the 1996 employment estimates. While the growth in total nonfarm employment may be revised downward, the job growth in manufacturing should be confirmed. Any revision should still leave a substantial increase in total nonfarm employment.

Preliminary data for the first half of 1997 from two different sources show job growth continuing in the state, with all divisions posting gains ranging from one to nine percent. Data from the Current Employment Statistics (CES) program, which is based on a sample survey of businesses, shows the rate of job growth slowing in 1997. According to employment data reported by employers subject to the unemployment compensation laws (ES-202 program) the 1997 rate of growth is almost identical to 1996.

Data from both sources agree that the electronic and other electrical equipment major group should again lead manufacturing to a gain of about two percent. Finance, insurance, and real estate will have its first gain in four years. Services employment growth will slow from the 1996 pace. Retail trade growth should be about the same in both years. The divisions with the largest percentage increases probably will be wholesale trade and construction. Government and transportation, communications, and public utilities will be at the other end with job growth of about one percent each. Most of the job growth in government will come from local government.

*Raymon Aldrich*

#### New Hampshire Employers Have 8.7 percent of Over 6.4 Million Jobs in New England

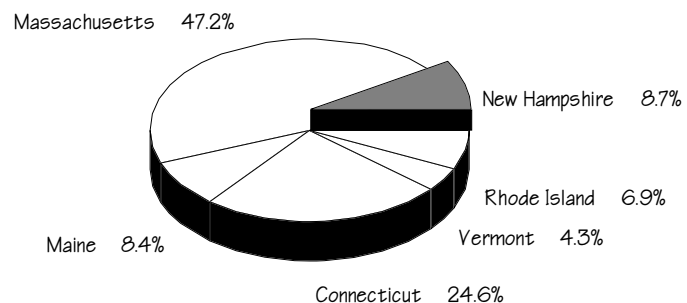


Figure 4b: Jobs in Nonfarm Employment  
1996 Averages for the New England States

## 5. ESTABLISHMENTS IN PRIVATE INDUSTRY

Those who have been reviewing *Vital Signs* for some time may notice marked differences in the data for both the Firms by Size and High Tech Industry sections of this chapter. The methodology for determining this data has undergone considerable change, and, in the case of high tech industries, has been completely revamped. To allow

*Signs*, the following definitions will be employed:

- Establishment data for statewide counts will *not* separately tally individual work sites. A single reporting establishment with multiple locations throughout the state will be counted as a single firm. Employment and wage data for that firm will be the total of all locations. This may have the effect of placing what seems to be many small firms into one at a larger size class. For example, if a firm has four locations, each with 15 employees, it will be tallied as one firm in the 50 to 99 employee size class instead of being tallied as four firms in the 10 to 19 employee size class.
- Following Bureau of Labor Statistics standards, the time period used to determine size classification is the third month of the first quarter of each year (March). Firms will be size classified based on reported employment in that month only. Those firms with no employment in the month of March are not tallied into the total firm count.

### Employment data in R&D intensive industries show overall growth for 1993 through 1996

comparison across the time periods related in this volume, the data for firms by size and high tech industries has been completely recalculated from historical covered employment data. Because of these changes, comparison to similarly labeled data in previous editions of *Vital Signs* is not valid.

#### Firms by Size

The two most significant issues in determining firms by size are the definition of a firm and the determination of the time period. Starting with this edition of *Vital*

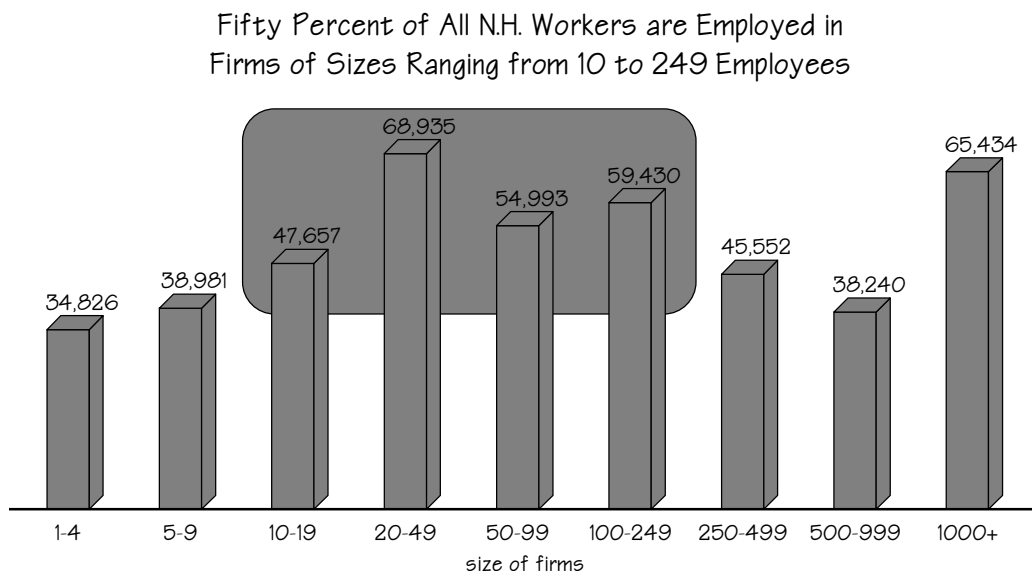


Figure 5.a: Number of Employees in Private Covered Employment By Firm Size 1996

In Firms by Size, employment in federal, state, and local government is not considered.

When comparing the numbers of firms and numbers of employees in a given size class across time, be aware that a portion of any change may be attributable to firms adding or subtracting a sufficient number of employees to change the firm's size class. The result of this change is that the employee count for the size class it leaves is reduced by the entire number of employees in the firm; and concurrently the size class it enters is increased by the entire number of employees in the firm. Thus, firms changing size class will result in substantial changes in the data for two size classes, particularly those size classes with large numbers of employees.

The new analysis method showed little change from 1995 to 1996. Only firms in size category 1 to 4 employees showed a substantial increase, up 734 firms to 17,318. Firms in size category 10 to 19 employees increased by 163 to 3,543; the remainder increased by fewer than 100 with the exception of firms with 1,000 or more employees, which was one less.

Firms with 1 to 4 employees represented the largest (56.8) percent of total firms, but the smallest (7.7) percent of total employment. Firms with 20 to 49 employees, 7.5 percent of total firms, captured the largest share of employment, with 15.2 percent of all employees. As in 1995, 50.9 percent of all New Hampshire workers in private employment in 1996 were employed by firms in the four middle size categories: 10 to 19; 20 to 49; 50 to 99; and 100 to 249 employees.

Comparison of the percent of establishments with 100 or more workers in 1995, as disseminated by the U.S. Bureau of the Census, placed New Hampshire in 34th place among the fifty states, down one from 1994, even though the percentage increased from 1.89 percent to 1.97 percent. The rest of New England

High Tech Level I Average Employment and Average Weekly Wage  
Show Steady Growth for Third Straight Year

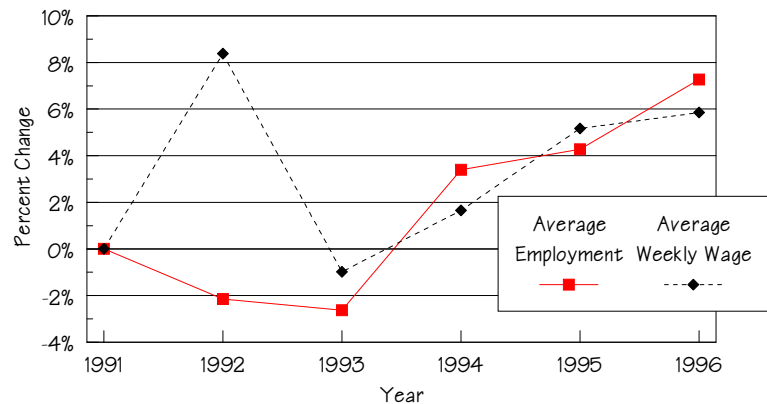


Figure 5b: High Tech Level I (R&D Intensive)  
Average Employment and Average Weekly Wage  
Year-to-Year Percent Change, 1991-1996

fared similarly, with number one ranked Massachusetts dropping to second despite a New England-leading 2.75 percentage point increase in establishments of that size.

## High Tech Industries

In the early 1980s, Bureau of Labor Statistics (BLS) researchers identified forty-eight manufacturing and service industries in which the percentages of "technology-oriented workers" (such as engineers, life and physical scientists, mathematical technicians, and computer specialists) were at least 1.5 times the average for all industries. This had been the standard for determining high tech industry statistics. More recently, BLS researchers have refined that list. Paul Hadlock, Daniel Hecker, and Joseph Gannon, in an article for the *Monthly Labor Review* (July 1991)<sup>1</sup>, presented a definition of high technology based on an industry's percentage of research and development (R&D) employment, further defined as the number of workers who spend the majority of their time in R&D, as determined by their employer. Thus, a high technology industry is defined as one with a significant concentration of R&D employment. Data collected in 1987, 1988, and 1989 for the Occupational Employment Statistics Survey was used to identify industries as

5. ESTABLISHMENTS IN PRIVATE INDUSTRY	1993	1994	1995	1996	Source
COVERED (by unemployment compensation)					
EMPLOYMENT DATA					
TOTAL NUMBER OF FIRMS with employment	27,082	28,406	29,467	30,501	NHES
1 - 4 employees	15,158	16,069	16,584	17,318	NHES
5 - 9 employees	5,427	5,618	5,883	5,944	NHES
10 - 19 employees	3,235	3,263	3,380	3,543	NHES
20 - 49 employees	2,036	2,134	2,229	2,273	NHES
50 - 99 employees	675	754	782	795	NHES
100 - 249 employees	368	369	396	406	NHES
250 - 499 employees	102	116	128	134	NHES
500 - 999 employees	51	50	51	55	NHES
1,000 & over employees	30	33	34	33	NHES
NET ANNUAL CHANGE IN NUMBER OF FIRMS	182	1,324	1,061	1,034	NHES
NET ANNUAL CHANGE IN NUMBER OF EMPLOYEES	7,352	20,563	18,846	12,383	NHES
1 - 4 employees	238	1,328	960	1,262	NHES
5 - 9 employees	507	1,246	1,807	404	NHES
10 - 19 employees	383	460	1,811	1,944	NHES
20 - 49 employees	3,015	2,793	3,632	1,630	NHES
50 - 99 employees	1,206	5,602	2,238	484	NHES
100 - 249 employees	(89)	128	3,354	704	NHES
250 - 499 employees	3,286	5,795	4,167	2,205	NHES
500 - 999 employees	120	(1,359)	251	3,277	NHES
1,000 & over employees	(1,314)	4,570	626	473	NHES
PERCENT OF TOTAL EMPLOYMENT (by size of firm)					
1 - 4 employees	7.9%	7.8%	7.7%	7.7%	NHES
5 - 9 employees	8.9%	8.8%	8.7%	8.6%	NHES
10 - 19 employees	10.9%	10.8%	10.4%	10.5%	NHES
20 - 49 employees	14.7%	15.1%	15.1%	15.2%	NHES
50 - 99 employees	11.5%	11.6%	12.4%	12.1%	NHES
100 - 249 employees	14.0%	13.7%	13.1%	13.1%	NHES
250 - 499 employees	7.6%	8.3%	9.3%	10.0%	NHES
500 - 999 employees	9.1%	9.0%	8.2%	8.4%	NHES
1,000 & over employees	15.5%	14.9%	15.2%	14.4%	NHES
PERCENT OF ESTABLISHMENTS WITH 100 OR MORE WORKERS (ranked from highest among fifty states)					
New Hampshire	1.88%	1.89%	1.97%	n/a	CB/NHES
United States rank	34	33	34	n/a	CB/NHES
Connecticut	2.26%	2.27%	2.38%	n/a	CB/NHES
United States rank	16	16	17	n/a	CB/NHES
Maine	1.56%	1.64%	1.66%	n/a	CB/NHES
United States rank	43	40	43	n/a	CB/NHES
Massachusetts	2.64%	2.67%	2.75%	n/a	CB/NHES
United States rank	1	1	2	n/a	CB/NHES
Rhode Island	1.95%	1.97%	2.00%	n/a	CB/NHES
United States rank	31	30	32	n/a	CB/NHES
Vermont	1.28%	1.30%	1.27%	n/a	CB/NHES
United States rank	48	48	48	n/a	CB/NHES
HIGH TECHNOLOGY R&D INTENSIVE (LEVEL I) EMPLOYMENT & WAGES					
Average annual number of employing units	2,463	2,687	2,950	3,213	NHES
Average annual employment	46,304	47,879	49,924	53,551	NHES
Total wages (\$ millions)	\$1,864.6	\$1,959.7	\$2,149.2	\$2,440.1	NHES
Average weekly wages	\$774.38	\$787.13	\$827.86	\$876.26	NHES



5. ESTABLISHMENTS IN PRIVATE INDUSTRY (Continued) 1993	1994	1995	1996	Source	
NEW & TERMINATED FIRMS COVERED BY UNEMPLOYMENT COMPENSATION					
New firms	4,014	4,166	4,124	991	NHES
Terminated firms	3,831	3,983	4,180	5,918	NHES
NEW FIRMS from NH Office of Business and Industrial Development					
New firms: Number of companies	40	53	33	19	OBID
Total Floor space (thousands of square feet)	786	2,521	1,326	1,103	OBID
NEW INCORPORATIONS					
New Hampshire establishments	2,874	2,990	3,095	3,070	SST
Out-of-State establishments	932	1,053	1,104	1,381	SST

high technology if the proportion of R&D employment in the industry was at least equal to the average proportion for all industries. The results produced thirty *R&D-intensive* industries, in which the number of R&D workers was at least fifty percent higher than the average proportion for all industries surveyed. In addition, ten *R&D-moderate* industries were identified, consisting of the remainder of industries meeting the initial criteria. The R&D-intensive group is labeled Level I; and the R&D-moderate group is labeled Level II.

Additional analysis of these industries, done by William Luker, Jr., and Donald Lyons, and reported in the *Monthly Labor Review* (June 1997)<sup>2</sup>, further divided high tech industry classifications. The report examined trends in Level I manufacturing industries, the R&D-intensive group. Manufacturing industries were separated into defense-dependent manufacturing industries (those with at least fifty percent of their output for defense in 1987, the most recent peak year for defense expenditures) and civilian manufacturing industries. The accompanying table (see page 20) lists those industries identified as high tech industries by their three-digit Standard Industrial Classification (SIC) code, the R&D intensity level to which each belongs, and if it is either a defense-related or civilian manufacturing industry. Compilation of data into these

groups will allow improved analysis of employment and wage trends in high technology industries.

Analysis of New Hampshire covered employment data in Level I (R&D-intensive) industries shows overall growth for the period 1993 through 1996. After a 1993 drop in both average employment and average weekly wage, each successive year has increased, with 1996 up by 7.3 percent over 1995 to 53,551 in average employment and up 5.8 percent over 1995 to \$876.26 in average weekly wage.

It should be noted that the data presented here is "employment in" given high tech industries, meaning that all employment in the industry deemed high tech is included, regardless of whether or not the individual worker is engaged in R&D work. In contrast, statistics referring to "high tech employment" or "high tech workers" refer to those workers actually engaged in R&D.<sup>3</sup>

Katrina Evans

<sup>1</sup> Paul Hadlock, Daniel Hecker, and Joseph Gannon, "High technology employment: another view", *Monthly Labor Review*, July 1991, pp. 26-30.

<sup>2</sup> William Luker, Jr., and Donald Lyons, "Employment shifts in high-technology industries, 1988-96", *Monthly Labor Review*, June 1997, pp. 12-23.

<sup>3</sup> Luker and Lyons, "Employment shifts in high-technology industries, 1988-96", p. 13.

### THREE-DIGIT SIC INDUSTRIES CLASSIFIED AS HIGH TECH

SIC	Industry	Level I	Level II	Manufacturing	
		(R&D Intensive)	(R&D Moderate)	Civilian	Defense
131	Crude petroleum and natural gas operations	X			
211	Cigarettes	X		X	
229	Miscellaneous textile goods		X		
261	Pulp mills		X		
267	Miscellaneous converted paper products		X		
281	Industrial inorganic chemicals	X		X	
282	Plastics materials and synthetics	X		X	
283	Drugs	X		X	
284	Soap, cleaners, and toilet goods	X		X	
285	Paints and allied products	X		X	
286	Industrial organic chemicals	X		X	
287	Agricultural chemicals	X		X	
289	Miscellaneous chemical products	X		X	
291	Petroleum refining	X		X	
299	Miscellaneous petroleum and coal products	X		X	
335	Nonferrous rolling and drawing	X		X	
348	Ordinance and accessories, not elsewhere classified		X		
351	Engines and turbines		X		
355	Special industry machinery	X		X	
356	General industrial machinery		X		
357	Computer and office equipment	X		X	
359	Industrial machinery, not elsewhere classified		X		
362	Electrical industrial apparatus	X		X	
365	Household audio and video equipment		X		
366	Communications equipment	X		X	
367	Electronic components and accessories	X		X	
369	Miscellaneous electrical equipment and supplies		X		
371	Motor vehicles and equipment	X		X	
372	Aircraft and parts	X			X
376	Guided missiles, spaces vehicles, parts	X			X
379	Miscellaneous transportation equipment		X		
381	Search and navigation equipment	X			X
382	Measuring and controlling devices	X		X	
384	Medical instruments and supplies	X		X	
386	Photographic equipment and supplies	X		X	
737	Computer and data processing services	X			
871	Engineering and architectural services	X			
873	Research and testing services	X			
874	Management and public relations	X			
899	Services, not elsewhere classified	X			

Note: Manufacturing (both Civilian-Related and Defense-Related) High Tech industries are taken from Level I (research and development intensive industries) only.

## 6. ENERGY

Electric deregulation has become a high profile issue in New Hampshire and in the entire United States. As of 1996 only three states had undertaken passage of deregulation laws, but that was followed by a flood of states (26 in all) in 1997. Another fourteen states are considering moving towards deregulation. On the face of it, deregulation would appear to be one road to lower rates for overburdened consumers, especially in New Hampshire where rates are the highest in the country. This is also a state that uses a great deal of electric energy. Usage peaks in January, typically a frigid month. This is a rural state as well, which adds greatly to the cost of providing electric power to everyone. Even though competition should bring the cost of this energy down, there is much concern about how this will happen. Will competition benefit all consumers equally? If a large competitor grabs all the lucrative, easy-to-service high population centers, what might happen to customers in more rural areas? If competition becomes keen, will suppliers keep service and equipment up to a reliable level? These are just a few of the problems that might surface as the deregulation process gets underway.

Bills relating to deregulation have been introduced in both the House and Senate of the New Hampshire legislature. These address such issues as stranded costs,<sup>1</sup> safeguard of smaller consumers, protection of the various competing utilities, and a mandate that utilities will upgrade their systems once competition gets

### Deregulation of the electric utility industry is still being argued in federal court

underway. In short, these bills are primed to regulate an industry that is in the process of being "deregulated."

Understanding the terminology of deregulation may help the consumer understand the choices offered under deregulation:

- Generation - the process by which fuels or renewable sources of energy are converted into electric energy.

<sup>1</sup> Stranded costs are costs incurred by a utility in anticipation of future usage based upon estimates of increased consumer needs.

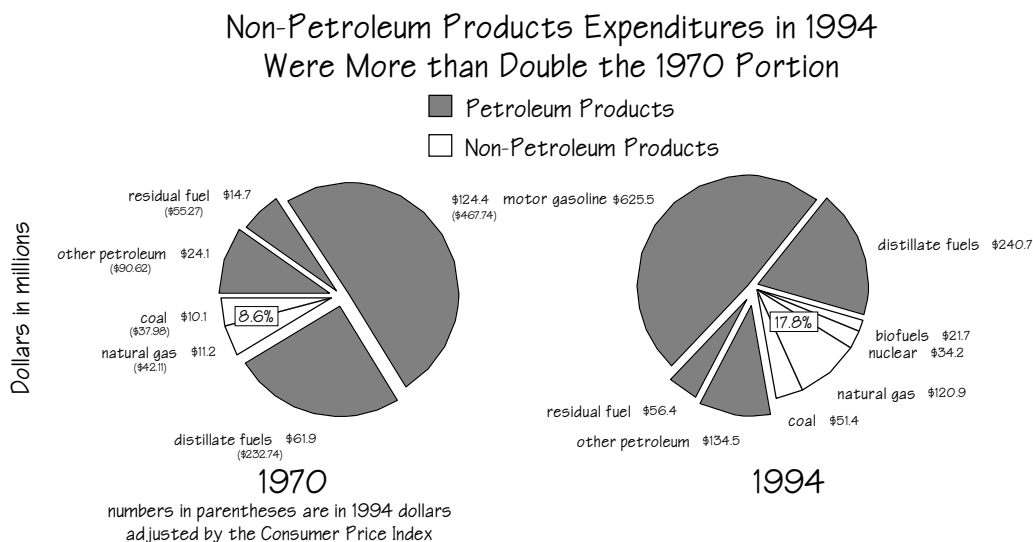


Figure 6.a: New Hampshire Energy Expenditures by Source 1970 and 1994

- Transmission - the process by which generated electricity is moved in bulk from the generation plant to the wholesale purchaser.
- Distribution - the process of delivering power from the wholesale purchaser to retail consumer.
- Wheeling - transmission of electricity across lines on behalf of another utility.
- Retail wheeling - the delivery of a generation utility's electricity across a distribution utility's lines to the end-user consumer.

In 1994, per capita expenditures for petroleum, natural gas, coal, and electricity for New Hampshire residents were \$1,920. This compares to \$1,938 for the nation, and places New Hampshire 32nd out of the 51 states. New Hampshire ranks 40th out of 50 states and the District of Columbia in total amount spent for energy in 1994 (\$2.18 billion), but 4th for the price paid per unit (\$11.08 per million Btu). Since we are a small state, our overall energy expenditure is less than that of most states. What we pay per unit for specific types of energy, however, is quite high. We remained number one in the nation in

dollars per million Btu for electricity. New Hampshire residents expended \$1.06 billion for petroleum, 36th in the nation. This was slightly more than the \$1.01 billion spent for electricity. In June 1997 a huge oil platform 200 miles east of Newfoundland, with expected level of production at 135,000 barrels a day by 1999, came on line. It has a likely future potential of 180,000 barrels a day, much of which could end up in the New England area. Expenditures for coal, the other major source of energy, were \$51 million and ranked 24th in the nation.

Natural gas, at \$6.37 per million Btu is also quite expensive—fifth highest in the nation—but the volume used is considerably less than for other forms of energy. Nonetheless, the completion of pipelines, both overland and underseas, could substantially alter that ranking. Three new pipelines will serve New Hampshire and coastal New England by 1998 or 1999. One of these pipelines will come into the northern part of the state and flow east into Portland, Maine, and then south into Dracut, Massachusetts. The pipeline originates in Alberta and runs across Canada down through Quebec and into this country.

In terms of total energy money spent in 1994 by the four major sectors, residential accounted for the most at \$708 million, with \$443 million of that for electricity and \$206 million for petroleum. Transportation had the next highest expenditure at \$704 million, of which \$620 million was for gasoline. Commercial expenditures, \$468 million, were more than those in industry, \$300 million. The highest portion of the total commercial energy cost was for electricity with \$367 million. The industrial sector paid out \$203 million for electricity.

*Oliver Northcott*

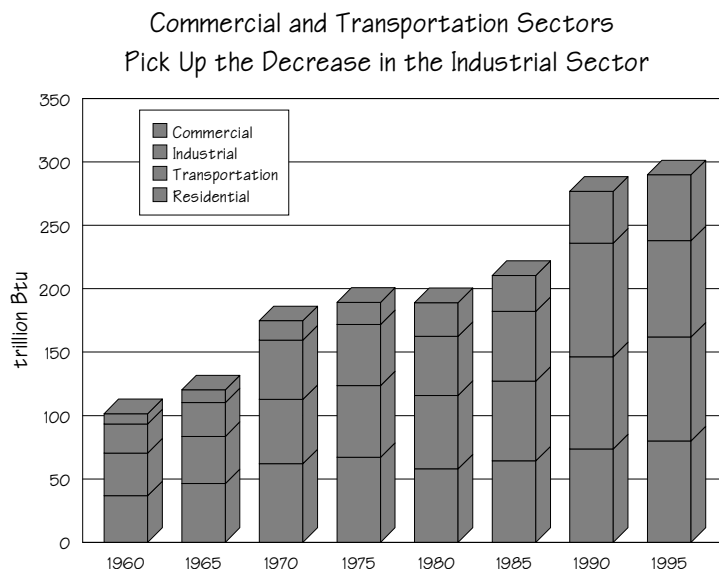


Figure 6b: N.H. Energy Consumption by Sector, 1960 - 1995

6. ENERGY	1993	1994	1995	1996	Source
<b>ELECTRICAL ENERGY PURCHASED</b>					
Sales to Ultimate Customers (million KWH)					
New Hampshire:					
Total	8,759	8,955	9,006	9,111	EC/EEI
Percent change	1.4%	2.2%	0.6%	1.2%	EC/NHES
Residential	3,420	3,430	3,384	3,399	EC/EEI
Percent change	-0.4%	0.3%	-1.3%	0.4%	EC/NHES
Commercial	2,121	3,219	3,224	3,223	EC/EEI
Percent change	2.4%	51.8%	0.2%	0.0%	EC/NHES
Industrial	3,100	2,182	2,286	2,330	EC/EEI
Percent change	2.6%	-29.6%	4.8%	1.9%	EC/NHES
New England:					
Total	104,308	106,157	106,611	108,269	EC/EEI
Percent change	0.7%	1.8%	0.4%	1.6%	EC/NHES
Residential	37,918	38,542	38,177	38,599	EC/EEI
Percent change	0.7%	1.6%	-0.9%	1.1%	EC/NHES
Commercial	38,557	40,395	41,159	42,636	EC/EEI
Percent change	1.9%	4.8%	1.9%	3.6%	EC/NHES
Industrial	25,953	25,412	25,880	25,552	EC/EEI
Percent change	-0.5%	-2.1%	1.8%	-1.3%	EC/NHES
<b>NET ENERGY GENERATED (million KWH)</b>					
As percentage of energy purchased	166.5%	132.8%	154.7%	169.2%	EC/EEI
As percentage of total generated by type:					
Hydroelectric	7.0%	8.7%	7.1%	9.2%	EC/EEI
Fossil fuel	31.1%	39.1%	32.8%	26.9%	EC/EEI
Nuclear	62.0%	52.2%	60.1%	63.8%	EC/EEI
<b>ENERGY EXPENDITURES PER CAPITA (\$ per capita)</b>					
United States rank	38	32	n/a	n/a	EIA
<b>ENERGY PRICES (dollars per million Btu)</b>					
United States rank	4	4	n/a	n/a	EIA
Petroleum prices (dollars per million Btu)	\$7.18	\$7.08	n/a	n/a	EIA
United States rank	34	36	n/a	n/a	EIA
Electric prices (dollars per million Btu)	\$31.81	\$33.15	n/a	n/a	EIA
United States rank	1	1	n/a	n/a	EIA
<b>ENERGY CONSUMPTION</b>					
Total consumption (trillion Btu)	245.7	285.5	290.0	n/a	EIA
Annual percent change	0.7%	16.2%	1.6%	n/a	EIA/NHES
United States rank (percent change)	43	3	n/a	n/a	EIA/NHES
Types of energy consumption (percent of total)					
Residential	29.5%	26.8%	27.6%	n/a	EIA
Commercial	16.4%	18.7%	17.9%	n/a	EIA
Industrial	23.2%	27.1%	26.2%	n/a	EIA
Transportation	30.9%	27.4%	28.3%	n/a	EIA
Energy consumption per capita (million Btu)					
United States rank (including D.C.)	50	44	44	n/a	EIA
Net Interstate flow of electricity and associated losses	-75.1	-43.7	n/a	n/a	EIA
<b>FUEL CONSUMED TO GENERATE ELECTRICITY</b>					
In equivalent barrels of oil					
New Hampshire total (thousands)	21,794	17,281	20,575	22,337	EC/EEI
Oil	2,338	2,442	1,816	1,508	EC/EEI
Coal	4,851	4,634	4,877	4,960	EC/EEI
Gas	23	206	377	1	EC/EEI
Nuclear	14,582	10,000	13,505	15,868	EC/EEI

## 7. PRODUCTION

**A**s a product weaves its way from its rawest form to a completed item, value is added. Silicates are used to produce glass; glass is shaped in the form of a lens; the lens is ground to a prescribed thickness. Two such lenses are put into a frame for the ultimate consumer. *Value added* is the estimated value of goods and services sold by each firm

trical equipment and components; combined to claim over 42.5 percent of total value added.

New Hampshire's state rank of value added per payroll dollar languished in the mid 40s prior to 1995. In that year a \$0.19 increase pushed the state into 37th place. Maine experienced a similar phenomenon; the other New England states remained in the lowest quintile.

### Value added by manufacture in 1995 in New Hampshire reached a new height

throughout the manufacturing process minus the value of material and energy used to produce the final product.

Value added by manufacture in 1995 in New Hampshire, at nearly \$8.7 billion, reached a new height. The 1987 total, in current dollars, also surpassed \$8 billion. No other year prior or subsequent had come close to that. The two industries which manufacture machinery: industrial and commercial machinery and computer equipment, and electronic and other elec-

NAFTA made trade with Canada much easier and was one of the big reasons for the spurt in export activity in the state. Over \$109 million of the \$266 million increase in exports in 1996 was to our northern neighbor. The most dramatic increases were in exports to Ireland and to Russia. Ireland went from \$21.8 million in 1994 to \$81.8 million in 1995 to \$114.0 million in 1996—a five fold increase in two years. Exports to Russia were only a little over a half billion dollars in 1994. That number increased to over \$12 billion in 1996, an increase of over two thousand percent in two years.

*Martin Capodice*

#### New Hampshire Exports by Country

	1994	1995	1996	% change 94-95	% change 95-96	% change 94-96
Total, all countries	\$1,147,359,532	\$1,449,367,817	\$1,612,594,871	26.3%	11.3%	40.5%
Canada	\$393,377,624	\$427,481,173	\$536,695,604	8.7%	25.5%	36.4%
Ireland	\$21,798,081	\$81,790,732	\$113,999,107	275.2%	39.4%	423.0%
United Kingdom	\$76,794,203	\$95,892,167	\$94,354,947	24.9%	-1.6%	22.9%
Republic of Korea	\$37,598,031	\$70,572,426	\$90,758,364	87.7%	28.6%	141.4%
Germany	\$50,673,144	\$86,755,393	\$80,804,661	71.2%	-6.9%	59.5%
Japan	\$57,591,590	\$50,946,869	\$76,893,646	-11.5%	50.9%	33.5%
Netherlands	\$44,269,577	\$54,182,915	\$58,283,740	22.4%	7.6%	31.7%
Mexico	\$52,746,060	\$51,688,356	\$54,899,682	-2.0%	6.2%	4.1%
China (Taiwan)	\$33,098,595	\$62,209,632	\$52,166,045	88.0%	-16.1%	57.6%
Singapore	\$49,745,415	\$64,278,397	\$51,088,914	29.2%	-20.5%	2.7%
France	\$32,754,365	\$41,314,224	\$49,659,120	26.1%	20.2%	51.6%
Thailand	\$3,639,230	\$5,703,212	\$37,871,391	56.7%	564.0%	940.6%
Hong Kong	\$14,791,433	\$20,367,257	\$32,874,745	37.7%	61.4%	122.3%
Brazil	\$24,999,983	\$31,903,470	\$27,044,761	27.6%	-15.2%	8.2%
Dominican Republic	\$50,727,464	\$34,017,378	\$26,800,896	-32.9%	-21.2%	-47.2%
Australia	\$15,809,765	\$23,087,881	\$21,803,478	46.0%	-5.6%	37.9%
Israel	\$8,522,982	\$10,252,826	\$18,903,766	20.3%	84.4%	121.8%
Italy	\$13,834,830	\$19,597,461	\$18,509,379	41.7%	-5.6%	33.8%
Russia	\$564,604	\$1,582,825	\$12,139,143	180.3%	666.9%	2050.0%

Source: World Wide Web, <http://www.ded.state.nh.us/oic/trade/profile/top20.html>, 12/15/97

7. PRODUCTION	1993	1994	1995	1996	Source
<b>GROSS STATE PRODUCT, TOTAL</b>					
In Current Dollars (\$ millions)	\$27,221	\$29,393	\$31,530	\$33,083	BEA/PSNH
Annual percent change	4.2%	8.0%	7.3%	4.9%	NHES
In Constant 1992 Dollars (\$ millions) <sup>a</sup>	\$26,489	\$28,066	\$29,305	\$30,161	BEA/PSNH
Annual percent change	1.4%	6.0%	4.4%	2.9%	NHES
<b>VALUE ADDED BY MANUFACTURE</b>					
Total (\$ millions) in current dollars	\$6,471.7	\$7,404.4	\$8,658.5	n/a	CB
<b>VALUE ADDED PER PAYROLL DOLLAR</b>					
United States	\$2.59	\$2.71	\$2.74	n/a	CB
New Hampshire	\$2.24	\$2.43	\$2.62	n/a	CB
United States rank (including D.C.)	Tie 45	Tie 42	Tie 37	n/a	CB
Connecticut	\$1.95	\$1.98	\$2.01	n/a	CB
United States rank (including D.C.)	50	51	Tie 50	n/a	CB
Maine	\$2.29	\$2.42	\$2.68	n/a	CB
United States rank (including D.C.)	43	44	34	n/a	CB
Massachusetts	\$2.30	\$2.39	\$2.35	n/a	CB
United States rank (including D.C.)	42	45	44	n/a	CB
Rhode Island	\$2.25	\$2.15	\$2.16	n/a	CB
United States rank (including D.C.)	44	49	Tie 48	n/a	CB
Vermont	\$2.24	\$2.53	\$2.48	n/a	CB
United States rank (including D.C.)	Tie 45	41	42	n/a	CB
<b>INDUSTRY SHARE OF TOTAL VALUE ADDED</b>					
Industrial Machinery and Equipment	16.6%	19.8%	26.0%	n/a	CB
Instruments and Related Products	12.9%	11.7%	9.6%	n/a	CB
Electronic and Related Products	13.3%	17.5%	16.5%	n/a	CB
Printing and Publishing	6.2%	6.2%	5.8%	n/a	CB
Paper and Allied Products	6.5%	5.3%	4.7%	n/a	CB
Rubber and Miscellaneous Products	8.1%	6.9%	6.5%	n/a	CB
Fabricated Metal Products	6.1%	6.4%	6.9%	n/a	CB
<b>MANUFACTURERS' SHIPMENTS</b>					
Total (\$ millions)	\$11,763.8	\$13,574.4	\$15,437.3	n/a	CB
Annual percent change	4.0%	15.4%	13.7%	n/a	CB
<b>NEW CAPITAL EXPENDITURES (\$ millions)</b>					
As a Percentage of Payroll	\$339.5	\$400.2	\$459.3	n/a	CB
New Hampshire	11.8%	13.1%	13.9%	n/a	CB
Connecticut	13.7%	13.2%	12.2%	n/a	CB
Maine	17.7%	22.4%	24.8%	n/a	CB
Massachusetts	12.9%	13.7%	15.3%	n/a	CB
Rhode Island	10.8%	10.5%	10.6%	n/a	CB
Vermont	29.9%	27.3%	57.2%	n/a	CB
United States	18.0%	19.0%	20.6%	n/a	CB
<b>EXPORT SALES TO THE WORLD (\$ thousands)</b>	1,134,867	1,247,913	1,478,627	1,744,875	CB
<b>INDUSTRY SHARE OF TOTAL EXPORTS</b>					
Industrial Machinery and Equipment	40.4%	34.0%	33.3%	31.5%	CB/NHES
Electronic and Related Products	10.7%	12.9%	15.7%	15.2%	CB/NHES
Transportation Equipment	2.9%	5.7%	7.4%	9.0%	CB/NHES
Leather Products	5.7%	5.2%	4.7%	8.3%	CB/NHES
Instruments and Related Products	8.7%	7.5%	6.8%	7.5%	CB/NHES
Rubber and Miscellaneous Products	2.4%	3.7%	3.9%	3.6%	CB/NHES
Fabricated Metal Products	4.3%	3.4%	3.4%	3.5%	CB/NHES
<b>DEFENSE CONTRACTS (\$ thousands)</b>	\$392,117	\$487,320	\$579,604	\$566,876	CB

<sup>a</sup> Based on the implicit price deflator of Gross Domestic Product<sup>b</sup> Estimate based on Personal Income

## 8. TRADE, RECREATION, AND HOSPITALITY

New Hampshire's annual retail sales soared 9.1 percent to \$14.2 billion in 1996, according to the 1997 "Survey of Buying Power for 1996", published in *Sales and Marketing Management*. Automotive dealers recorded the largest increase, 20.2 percent, up to \$3.0 billion. Furniture, home furnishing, and appliance stores increased

*Management*, is an indicator of the ability to buy. It is determined by personal income less personal tax and non-tax payments, and closely resembles disposable income. New Hampshire's total EBI for 1996 was \$20.4 billion; the median household EBI was \$40,286. Total EBI by county ranged from a high of \$6.5 billion in Hillsborough county to a low of \$0.4 billion in Coos county. Median household income ranged from a high of \$48,668 in Rockingham county to a low of \$28,257 in Coos county.

### Total skier spending reached \$189 million during the 1995-96 ski season

13.0 percent to \$669 million; general merchandise stores increased 2.4 percent to \$1.8 billion; and food stores grew by 1.9 percent to \$2.9 billion. Eating and drinking places, the only retail major group to show an over-the-year decrease from 1995 to 1996, dropped 1.0 percent to \$950 million.

Not surprisingly, 57 percent of total retail sales were in Hillsborough and Rockingham counties, with sales reaching \$4.3 billion and \$3.8 billion, respectively. Sullivan county registered the lowest retail sales, with only \$259 million.

Effective Buying Income (EBI), developed by *Sales and Marketing*

### Recreation and Hospitality

The *New Hampshire State Travel Barometer Annual Summary 1996*, published by the Office of Travel and Tourism Development (OTTD), said that 1996 was a "slightly positive year for New Hampshire's travel and tourism industry in comparison with 1995."

Restaurant sales increased 4.7 percent from 1995 to 1996. The report attributes this increase to a growth in overnight trips by both New Hampshire residents and those of nearby states. Business travel at hotel facilities was up 20.3 percent when compared with 1995.

There were 186,363 inquiries received by OTTD in 1996, an over-the-year decrease of 12.5 percent. According to the report, the smaller number of inquiries received is the result of a reduction in its promotional budget for 1996. Automobile travel on Saturdays was up 1.9 percent over-the-year at eleven traffic counters near tourist attractions or on major travel routes. Airline passenger enplanements at Manchester and Lebanon increased 9.5 percent over-the-year, reaching an all-time high of 546,541 for 1996.

### All Components of Retail Sales Surpassed Their 1990 Levels Except Eating & Drinking Places

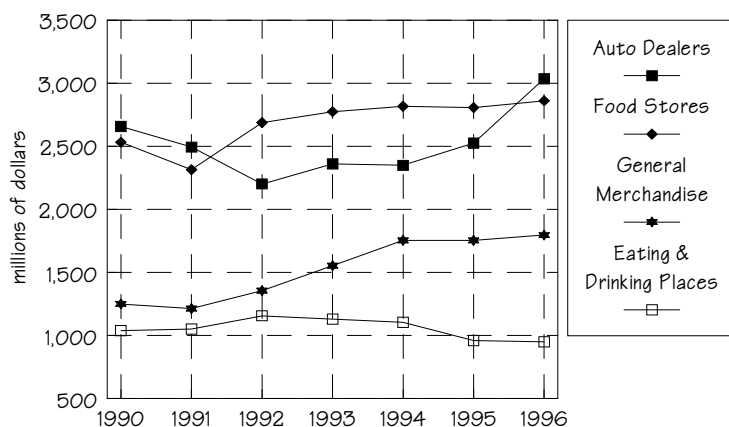


Figure 8a: Components of Retail Sales 1990-1996

### Winter Recreation

According to Ski New Hampshire's latest Economic Impact study, the number of



8. TRADE, RECREATION, AND HOSPITALITY	1993	1994	1995	1996	Source
<b>RETAIL SALES (\$ millions) <sup>a</sup></b>					
New Hampshire total	\$12,566	\$12,761	\$12,997	\$14,175	SMM
Annual percent change	4.9%	1.6%	1.8%	9.1%	SMM/NHES
Food stores	\$2,775	\$2,817	\$2,807	\$2,861	SMM
Annual percent change	3.2%	1.5%	-0.4%	1.9%	SMM/NHES
Eating and drinking places	\$1,130	\$1,105	\$960	\$950	SMM
Annual percent change	-2.2%	-2.2%	-13.1%	-1.0%	SMM/NHES
General merchandise stores	\$1,554	\$1,754	\$1,754	\$1,796	SMM
Annual percent change	14.6%	12.9%	0.0%	2.4%	SMM/NHES
Furniture, home furnishings, appliance stores	\$585	\$585	\$592	\$669	SMM
Annual percent change	9.1%	0.0%	1.2%	13.0%	SMM/NHES
Automotive dealers	\$2,361	\$2,349	\$2,526	\$3,035	SMM
Annual percent change	7.2%	-0.5%	7.5%	20.2%	SMM/NHES
 New England, total (\$ millions)	 \$114,720	 \$121,796	 \$122,784	 \$131,602	 SMM
Annual percent change	1.8%	6.2%	0.8%	7.2%	SMM/NHES
United States, total (\$ billions)	\$2,079	\$2,241	\$2,355	\$2,465	SMM
Annual percent change	5.9%	7.8%	5.1%	4.7%	SMM/NHES
 Per Household Retail Sales					
New Hampshire	\$30,056	\$30,112	\$30,239	\$32,526	SMM
Massachusetts	\$21,505	\$23,254	\$23,652	\$25,075	SMM
New England	\$23,082	\$24,494	\$24,511	\$26,126	SMM
United States	\$21,683	\$23,209	\$24,120	\$24,992	SMM
 Liquor Sales (fiscal year)					
Retail & Wholesale (\$ millions)	\$208.3	\$210.1	\$210.3	\$224.2	LC
<b>RECREATION/TOURISM</b>					
Office of Travel & Tourism Development Inquiries	231,693	185,490	213,087	186,363	OTTD
Hotel Occupancy Rate	52.1%	53.8%	54.2%	55.8%	OTTD
Out-of-State Snowmobile Registrations	9,327	10,215	8,973	10,994	OTTD
Skiing, state areas (Cannon, Sunapee), season	1993-94	1994-95	1995-96	1996-97	
Number of skiers	241,996	158,469	215,522	200,545	P&R
Lift sales, excluding concessions, schools (\$ thousands)	\$4,441	\$2,931	\$4,001	\$3,004	P&R
Fish and Game licenses (nonresident)	75,316	76,645	73,432	72,855	F&G
Racing (pari-mutuel statistics)					
Thoroughbred track:					
Attendance (thousands)	376.3	341.7	332.4	253.7	PM
Pari-mutuel pool (\$ thousands)	\$34.4	\$29.7	\$27.8	\$20.8	PM
Greyhound tracks:					
Attendance (thousands)	745.7	588.3	517.1	423.9	PM
Pari-mutuel pool (\$ thousands)	\$60.4	\$48.2	\$39.8	\$34.6	PM
<b>HOSPITALITY: HOTEL, RESTAURANT ACTIVITY</b>					
Meals & Rooms Receipts (\$ millions)					
Total, Calendar Year	\$1,244.8	\$1,330.3	\$1,397.9	\$1,474.6	RA
Annual percent change	4.1%	6.9%	5.1%	5.5%	RA/NHES
Restaurants	\$822.0	\$878.9	\$927.0	\$970.2	RA
Rooms	\$204.0	\$216.2	\$226.9	\$245.8	RA
Food service & combination food/lodging	\$218.7	\$235.0	\$244.0	\$258.6	RA

<sup>a</sup> Reprinted by permission of *Sales & Marketing Management*, a publication of Bill Communications

skiers visiting New Hampshire's ski areas during the 1995-96 season increased by 10 percent from the previous year, while the number of people employed by those ski area operations increased by 52 percent during the same time frame. Total skier spending reached \$189 million during the 1995-96 ski season, an increase of \$41.5 million from 1994-95.

The number of visitors to ski areas (in visitor days) increased by more than 294,000, bringing the total visitor days to 3,449,213 for the 1995-96 season. Destination skiers made 1,151,746 visits to New Hampshire's ski areas while day skiers made 981,117 visits. The balance of visitor days were made by other ski season visitors (608,350) and non-ski season visitors (708,000).

Skiing in New Hampshire is a popular destination for tourists from the United Kingdom. According to Philip T. Gravink, managing director and chief operating officer of Attitash Bear Peak Resort in Bartlett, part of the American Skiing group, over 45,000 British students were hosted by his company's operations in New Hampshire, Maine, and Vermont during the last year.

Ski snowmaking capacity was 2,061 acres for 1996, an increase of 24 acres from 1995. This represents a compounded annual rate of growth of 5.7 percent

from 1986 to 1996.

New Hampshire's ski areas are undergoing yet more changes. Bretton Woods was purchased in September by the Mount Washington Hotel Preservation Limited Partnership, the owners of the Mount Washington Hotel. Loon Mountain was sold in October to Booth Creek Ski Holdings, Inc., a Colorado-based company that owns Waterville Valley and Cranmore along with eight other resorts in the country.

Unseasonably warm weather and pouring rain in early November forced New Hampshire's ski areas to open later than usual this year. Cold temperatures and natural snow arrived by the second week in November and Waterville Valley kicked off the 1997-98 ski season on November 13th. Officials at Ski New Hampshire reported that as of December, every alpine and 10 cross country areas in New Hampshire were open.

### Summer Recreation

Many people enjoy camping in New Hampshire's great outdoors. According to the *Camping's Financial Impact on New Hampshire's Economy* report, prepared by the New Hampshire Campground Owners Association, the number of campers occupying New Hampshire's private and public campsites in 1996 totaled 4,308,522.

New Hampshire International Speedway (NHIS) draws quite a crowd during the summer months. For the first time, the speedway hosted two Winston Cup races in 1997. According to OTTD, both the July and September Winston Cup races were sold out with crowds of about 88,000 each. According to the Department of Transportation, the shoulders on Route 106 were widened to enable four lanes of traffic into and out of NHIS during the race season.

*Elisabeth McGuire*

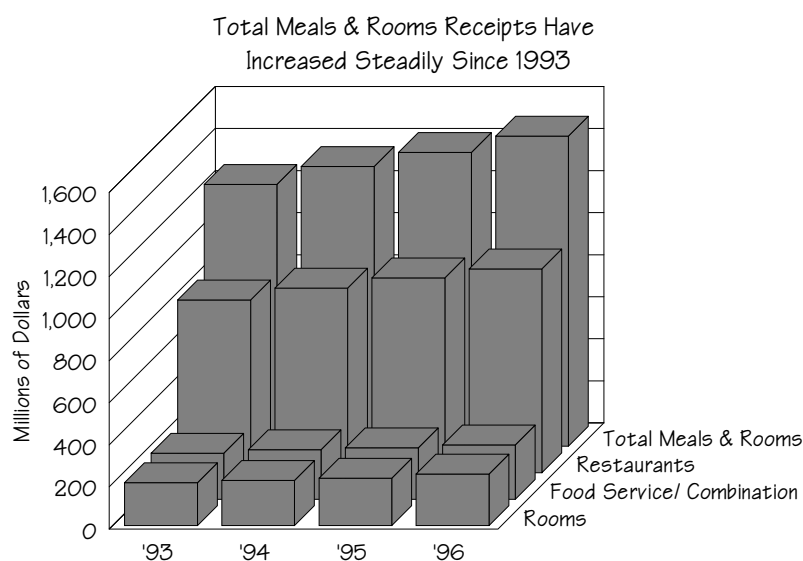


Figure 8b: Meals & Rooms Receipts, 1993-1996

## 9. CONSTRUCTION AND HOUSING

During 1996 the New Hampshire housing market surged from the modest downturn that marked the 1995 selling season. The estimated annual sales of existing homes soared by 2,300 units to a new high for the 1990s. New Hampshire was second only to Massachusetts in the rate of change from 1995 and 2.2 times better than the national rate. The sales rate produced a 22.3 percent jump in the dollar sales volume for 1996 over 1995. The average sales price saw its largest over-the-year increase since the 1992 low point. The downward trend of interest rates during 1995 into early 1996 may have triggered a movement toward home buying. Although the monthly mortgage rates on a national basis rose 1.3 percentage points between January and June 1996 then fell back 0.7 percentage points by December, the apparent combination of a good economy and good value in pricing combined to drive the buying surge.

The demand for housing extended to the construction of new housing during 1996. Housing permits for all types of housing increased an average forty-three permits per month over 1995. Of these, only fifteen were for single family housing. The demand for additional multi-family units is evident in the 5.9 percent increase in the median monthly rent being paid throughout New Hampshire.

In 1996 there was a convergence of the average resale value of existing homes with the average value of new single family housing as defined by permit valuation. With this convergence, the home buyer now has the option of buying existing housing or building a new home for the approximate same price.

The additional housing starts have had an impact on employment in the construction industry. General building contractors of residential buildings

experienced an increase in employment of 379 jobs in 1996 over 1995. Through second quarter 1997 employment was up an additional fifty-three over the same quarter in 1996. Among nonresidential building contractors, the increase was a modest seventy-six employees in 1996, with six employees added in second quarter 1997 compared to second quar-

### The estimated annual sales of existing homes soared to a new high for the 1990s

ter 1996. Contractors in special trades, which support both residential and nonresidential construction, increased by 665 employees, a 5.6 percent increase in 1996. Second quarter 1997 employment was 512 more than second quarter 1996.

The remaining group within construction, heavy construction contractors for other than building construction, experienced a contraction in average employment during 1996. It dropped from an average of 2,620 in 1995 to 2,436 in 1996. Employment in second quarter 1997, however, increased by 300 compared to the same time period of

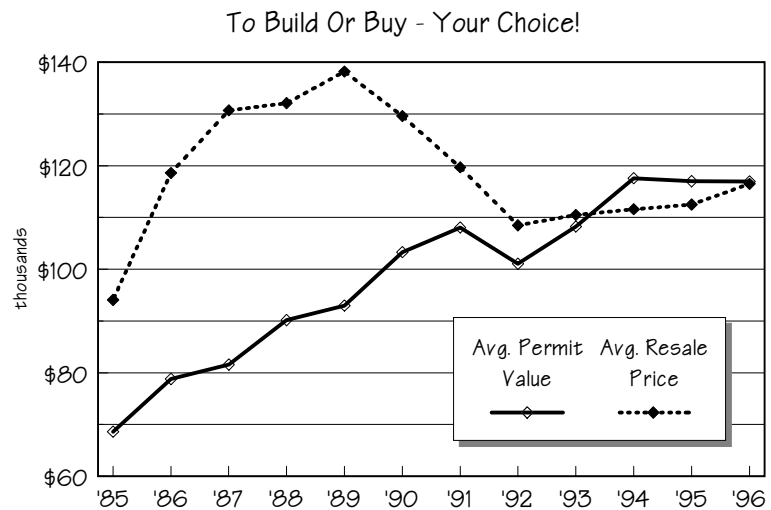


Figure 9a: Average Value of Single Family Housing  
(permit valuation/resale of existing homes)

9. CONSTRUCTION AND HOUSING	1993	1994	1995	1996	Source
CONTRACT VALUE INDICES (base = 1980)					
Total construction:					
New Hampshire	187.0	236.7	221.4	258.3	FR/FWD
New England	210.6	222.8	237.0	253.5	FR/FWD
United States	171.3	199.9	206.0	222.4	FR/FWD
Non-building construction					
New Hampshire	164.4	230.2	190.2	214.4	FR/FWD
New England	267.3	218.0	266.8	283.8	FR/FWD
United States	170.6	191.8	198.9	201.2	FR/FWD
Nonresidential construction					
New Hampshire	193.1	297.5	303.0	347.9	FR/FWD
New England	188.6	238.3	272.4	289.2	FR/FWD
United States	153.8	192.2	216.2	226.1	FR/FWD
Residential construction					
New Hampshire	198.3	202.0	189.6	225.9	FR/FWD
New England	201.7	209.1	193.4	210.2	FR/FWD
United States	186.3	209.7	201.6	230.0	FR/FWD
HOUSING PERMITS AUTHORIZED					
Total	3,767	4,042	4,102	4,775	FR/NAR
Annual percent change:					
New Hampshire	2.4%	7.3%	1.5%	16.4%	FR/NAR
New England	6.4%	3.2%	-7.7%	8.2%	FR/NAR
United States	9.5%	12.2%	-1.8%	6.3%	FR/NAR
Single units	3,313	3,576	3,809	4,050	FR/NAR
Annual percent change:					
New Hampshire	-0.8%	7.8%	6.5%	6.3%	FR/NAR
New England	5.2%	3.0%	-7.4%	4.8%	FR/NAR
United States	9.4%	5.5%	-6.2%	6.9%	FR/NAR
CHANGES TO THE NEW HAMPSHIRE HOUSING STOCK					
from residential building permit data					
Net change in units (permitted units less demolitions)	4,647	4,731	4,470	5,186	OSP
Total Hillsborough and Rockingham Counties	2,474	2,683	2,445	2,908	OSP
Total multifamily	602	383	189	629	OSP
HOMES FINANCED BY NH HOUSING FINANCING AUTHORITY					
Total	828	1,601	1,278	985	HFA
Percent new	18%	14%	10%	8%	HFA
Percent condo	9%	7%	6%	7%	HFA
NHHFA BOND ISSUES (\$ millions)	\$211.0	\$105.0	\$158.7	\$75.0	HFA
ASSISTED RENTAL HOUSING CONSTRUCTION					
Total units (NHHFA, HUD, FMHA, & local programs)	209	445	201	282	HFA
For elderly tenants	30	98	46	82	HFA
HOME SALES					
Existing homes (Estimated average sales per quarter - single family, condos, co-ops)	13,600	16,200	15,300	17,600	NAR
Percent change:					
Connecticut	14.2%	13.9%	-1.7%	-4.1%	FR/NAR
New Hampshire	13.3%	19.1%	-5.6%	15.0%	FR/NAR
Maine	13.7%	12.1%	-16.9%	n/a	FR/NAR
Massachusetts	14.4%	4.2%	-0.9%	19.8%	FR/NAR
Rhode Island	10.0%	5.5%	2.6%	10.1%	FR/NAR
Vermont	14.6%	-0.9%	-18.3%	-1.1%	FR/NAR
New England	13.9%	8.5%	-6.1%	n/a	FR/NAR
United States	8.2%	3.2%	-3.5%	6.8%	FR/NAR

9. CONSTRUCTION AND HOUSING (Continued)	1993	1994	1995	1996	Source
New Hampshire Multiple Listing Service data on Sales of Existing Homes					
Total Sales Volume (millions)	\$1,151.8	\$1,309.9	\$1,311.8	\$1,604.2	AR/NHES
Annual percent change	16.4%	13.7%	0.1%	22.3%	AR/NHES
Average sale price	\$110,528	\$111,603	\$112,536	\$116,485	AR
Annual percent change	1.9%	1.0%	0.8%	3.5%	AR/NHES
Average number of days on the market	184	189	187	232	AR/NHES
CONTRACT MORTGAGE RATES (December, 30-year fixed)	7.2%	9.2%	7.2%	7.6%	MBA/FHLMC
HOUSING UNIT RENTALS Median monthly rent (including utilities)	\$564	\$573	\$563	\$596	HFA

1996. This 1996 falloff in employment occurred at the same time that the Contract Value Indices for New Hampshire non-building construction was experiencing a 12.7 percent jump over the year. This apparent contradiction may be the result of expensive contracts, such as the \$15.3 million bridge and road work planned for Concord, being placed but scheduled for completion over several years.

*Richard Hocker*

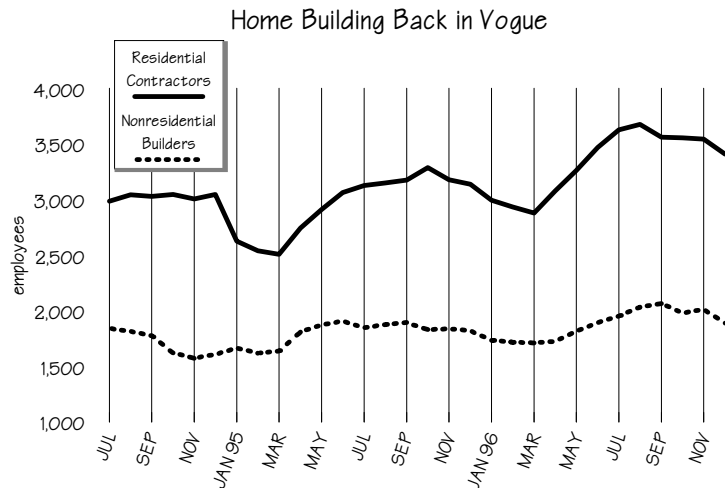


Figure 9b: Building Construction Employment  
July 1994 - December 1996

### White Mountain Region Real Estate Prices Surge

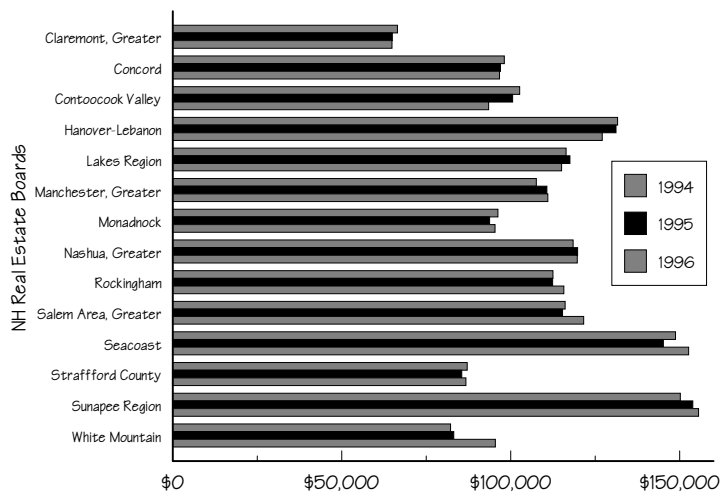


Figure 9c: Regional Average Selling Price  
1994 - 1996

## 10. TRANSPORTATION AND TRAFFIC

**T**raffic at the two major points of entry between Massachusetts and New Hampshire saw record vehicle traffic in 1996. The busiest permanent counter in the state is on I 93 at the state line in Salem where nearly 37 million vehicles passed in 1996. The line at Seabrook on I 95, with 28,342,309

Both the Salem and the Merrimack River in Manchester sites have considerably more traffic on weekdays than on the weekend. The Seabrook spot carries over 15 percent more traffic on the weekends than on weekdays. The largest percentage surge was at the Candia/Raymond town line on Route 101 with an 8.4 percent increase. The largest decreases were at the ends of the Kancamagus Highway. These two spots experienced the largest increases in 1995 following large decreases in 1994. Their volatility is a result of the vagaries of recreational activity in the state.

### Vehicle miles traveled in New Hampshire spurted up another third of a billion in 1996

vehicles, had almost 1.4 million more pass by than in 1995. This 4.9 percent increase nearly pushed the count past the second highest record of traffic—the spot where I 293 crosses the Merrimack River in Manchester. In 1997 the Department of Transportation installed a permanent counter on the Everett Turnpike at Canal Street in Nashua. Preliminary tallies indicate that this will become the second most traveled spot in the state, nudging past both the Seabrook state line and I 293 at the Merrimack River in Manchester.

Vehicle miles traveled in New Hampshire spurted upward another third of a billion in 1996. The 344 million increase is the largest since 1987 when New Hampshire was in a thriving period of expansion. As could be expected with the jump in vehicle miles, motor fuel consumption continued its climb. Consumption increases continuously outpace vehicle miles increases. Much of this is related to tourism, and beyond that to how tourism is related to the state of the economy. Lower fuel taxes and the competitiveness of gas retailers combine to coax tourists to leave New Hampshire with their tank full.

New Hampshire's Fuel Consumption Mirrors  
the Expansions and Contractions of the Economy

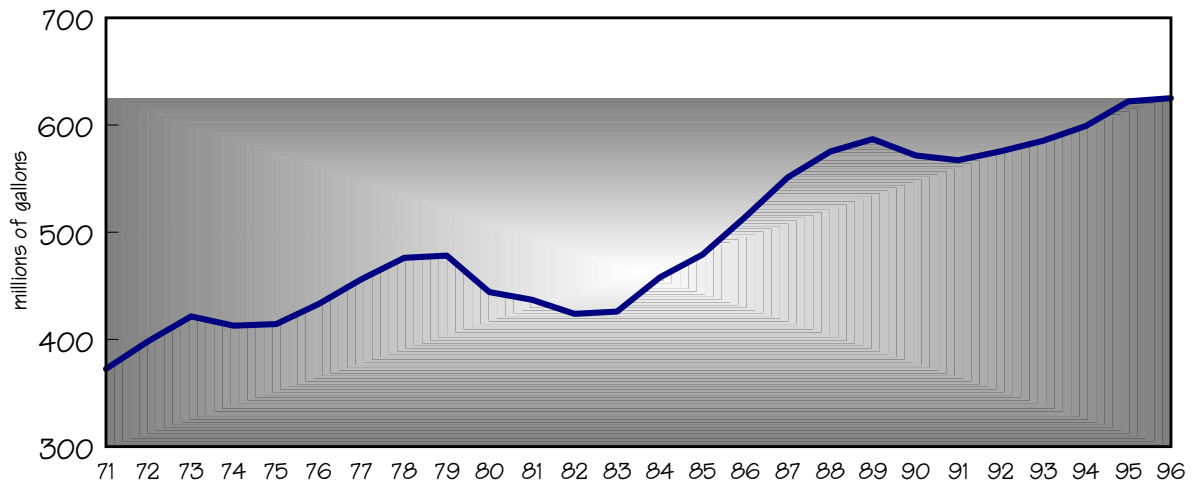


Figure 10.a: Total Fuel Consumption 1971-1996

## Bridges

The November 1997 issue of *Better Roads* magazine ranks the states according to the number of substandard bridges of twenty feet or more. Of the 2,337 bridges in New Hampshire that meet that definition, 829 are substandard. Fourteen states and the District of Columbia had a higher percentage of substandard bridges. Rhode Island fared worst with 452 of its 742 bridges, 60.9 percent, substandard. Connecticut set the highest standard in New England with only 9.6 percent of its bridges rated substandard. Substandard is defined as functionally obsolete or structurally deficient. Functionally obsolete bridges are mostly older bridges with insufficient width of roadway or inadequate clearance. Structurally deficient bridges may have been constructed to allow up to a specific weight, but that weight fails to meet today's standard.

The New Hampshire Department of Transportation regularly monitors every bridge and keeps a "Red List" of those bridges which must be inspected more than the normal rotation. The red list of state bridges diminished by ten to 156; and by 16 to 461 municipal bridges.

## Air Transportation

Air travel reached new heights in 1996, but it was nothing compared to the preliminary reports for 1997. The Manchester Airport has in the past served about ten percent of its potential market. In 1996 that figure was twenty-five percent.<sup>1</sup> Nearly a million passengers used Manchester Airport in 1996. That number will be surpassed in 1997. The airport received an \$8.9 million airport improvement grant from the Federal Aviation Administration. A U.S. customs facility is projected to open in mid-February 1998, making the airport accessible to European tourists visiting New Hampshire and to New Hampshire tourists visiting Europe.

Where I 93 Crosses the Merrimack River in Manchester  
Has Become the Second Highest Point of Counted Traffic in the State

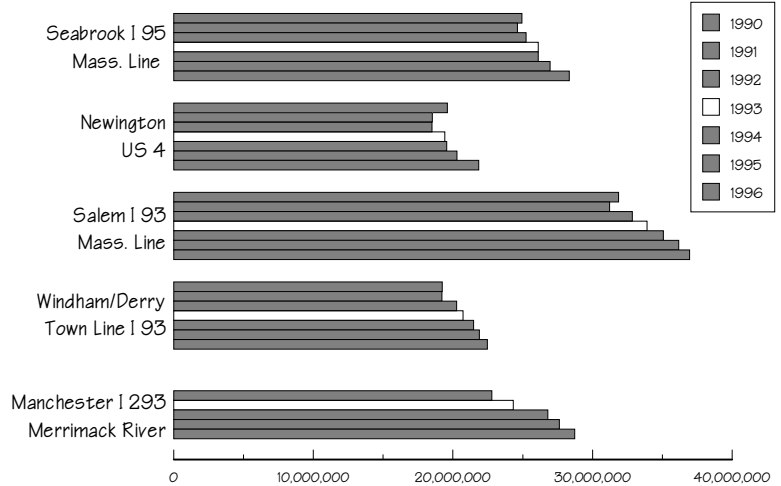


Figure 10b: Selected Vehicle Counter Points 1990-1996

The Pease Development Authority received \$4.4 million to upgrade its airport. Currently, there is no domestic carrier at Pease, but authorities are actively seeking one. Construction is expected to begin on an international facility at Pease in the spring of 1998.

## Sea Transportation

Many changes are taking place with the New Hampshire Port Authority. The facility has been paved and the new pier is in place. Cruise ships are beginning to use the port. All shipping numbers, however, have declined. The most severe drop was in the scrap metal used for back haul. Demand from Asian markets, the primary recipients of our scrap, dwindled. In 1997 the port will ship even less scrap. The Port Authority is actively pursuing customers for shipping containers and bulk commodities needed to level the back haul imbalance.

*Martin Capodice*

<sup>1</sup> Alan Blake, "The Road to Prosperity," *Business NH Magazine*, Aug. 1997: 37.

10. TRANSPORTATION AND TRAFFIC	1993	1994	1995	1996	Source
<b>HIGHWAY TRAFFIC</b> Annual totals (vehicles, thousands)					
Interstates, NH-Massachusetts State line					
(from traffic counters at Salem and Seabrook)	60,030	61,184	63,134	65,297	DT
Annual percent change	3.3%	1.9%	3.2%	3.4%	DT/NHES
Rural traffic, annual percent change	2.4%	3.1%	2.7%	2.7%	DT
Annual vehicle miles (millions of miles)	10,336	10,501	10,643	10,987	DT
Annual percent change	3.0%	1.6%	1.4%	3.2%	DT/NHES
<b>VEHICLE REGISTRATIONS</b>					
Passenger cars	681,527	691,397	692,996	697,277	DS
Annual percent change	2.0%	1.4%	0.2%	0.6%	DS/NHES
Trucks (commercial and passenger)	237,219	254,757	260,541	273,052	DS
Annual percent change	8.1%	7.4%	2.3%	4.8%	DS/NHES
Persons per passenger car (population per number of vehicles)	1.22	1.20	1.20	1.20	DT/NHES
<b>DRIVER LICENSES</b>					
Licenses issued during year	n/a	247,019	261,586	67,776	DS
Total on issue	868,560 <sup>a</sup>	855,492	902,680	924,506	DS
<b>AIRCRAFT TRAVEL</b>					
Departing passengers, commercial airlines, Manchester and Lebanon airports	453,493	513,918	499,248	546,530	DT
Annual percent change	-2.9%	13.3%	-2.9%	9.5%	DT/NHES
<b>MOTOR FUEL CONSUMPTION</b>					
Millions of gallons of gasoline and diesel fuel	592.2	609.6	622.1	625.2	DT
Annual percent change	3.8%	2.9%	2.1%	0.5%	DT/NHES
<b>BOAT REGISTRATIONS</b>					
Total Registrations	80,521	82,822	86,672	87,910	DS
Annual percent change	1.5%	2.9%	4.6%	1.4%	DS/NHES
<b>SEAPORT TRAFFIC, PORTSMOUTH HARBOR</b>					
Total shipping (public & private facilities)					
Dead weight capacity tonnage (thousand tons) <sup>b</sup>	5,453	5,224	5,873	5,683	PA
Export & import total (thousand short tons) <sup>c</sup>	4,031	4,121	4,236	4,078	PA
Annual percent change	-3.3%	2.2%	2.8%	-3.7%	PA/NHES
NH Port Authority activity					
Scrap Metal (tons)	238,829	254,887	267,250	73,275	PA
<b>POSTAL SERVICE</b>					
First handling pieces - Manchester and Portsmouth <sup>d</sup> (millions) (FY ending 9/30)	846.5	929.0	1,009.5	1,024.8	PS

<sup>a</sup> Total license count for 1993 includes non-driver and Golden Age IDs.

<sup>b</sup> Excludes barge traffic not requiring pilots.

<sup>c</sup> Includes weight of ship and cargo.

<sup>d</sup> Mail of all classes and origins, first processed by the Manchester and Portsmouth post offices.



## 11. FINANCE AND BANKING

Banking is alive and well in New Hampshire, particularly if one focuses on the commercial banking sector. While savings banks shed \$125 million in assets from 1995 to 1996, the commercial banks increased their asset total by \$663 million. At the same time, the number of banking institutions was reduced from 49 to 45. There were three fewer commercial banks and one fewer savings bank. The total number of banking offices, including branches, remained constant at 396. In all cases the bank institution reduction was the result of the continuing wave of bank mergers. Bank deposits were up 7.4 percent over the year but the breakdown between commercial and savings banks followed the same trend as assets. Commercial bank deposits were up 18.0 percent while savings bank deposits dropped 3.8 percent. Equity capital for each type of banking institution increased over the year but again the commercial banks emerged with a slightly higher increase. Based on data available to date, the 1995-96 trend of fewer banks due to mergers and increasing assets and deposits is expected to continue in 1997.

The year 1996 saw the continuation of the mergers which had created the largest bank in New England, Fleet Bank, the prior year. This was followed by another round of acquisitions in 1997. The 1997 mergers were:

- CFX Corporation of Keene acquired Concord Savings Bank of Concord, Centerpoint Bank of Bedford, and Portsmouth Savings Bank of Portsmouth.
- Announcement that CFX Corporation of Keene would be merging with Peoples Heritage Financial Group of Portland, Maine, effectively becoming the largest bank in New Hampshire.
- BayBank, NA, of Boston, MA, joined with BayBank, NH, of Derry to form BayBank, NA, in Burlington, MA.

- Completion of the Lake Sunapee Bank of New London acquisition of Landmark Bank of Lebanon.

The mergers have had a positive effect on increasing the asset size, profitability and efficiency of the individual banking institutions, but there is also a gloomy

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**About one person in eight employed in the banking industry in 1993 was missing three years later**

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cloud over it as well. Banking profits have been generated, but total bank assets have been, at best, stagnant. Wringing out a profit in such a climate has required cutting costs. Consolidations and mergers create opportunities to streamline administrative functions and eliminate resulting redundant branches. Invariably layoffs have resulted.

From 1993 to 1996, while bank assets grew by \$2,302 million (13.0 percent), annual average employment in banking fell 13.1 percent from 7,815 to 6,789. About one person in eight employed in the banking industry in 1993 was missing three years later. The number of banks declined from 56 to 45 in 1996. The number of federal and state chartered bank branch offices remained nearly constant with 386 in 1993 to 396 in 1996.

Not all sectors of the depository institutions industry have suffered personnel losses. The total employment of commercial banks and savings banks, combined, which together made up 85 percent of the depository institutions industry employment in 1996, has fallen each year throughout the 1990s. Credit unions, however, have managed to increase their level of employment each year since 1992.



11. FINANCE AND BANKING	1993	1994	1995	1996	Source
BANKING DATA, FDIC Insured Banks (\$ millions)					
BANK ASSETS - Total All Banks	\$17,694	\$18,612	\$19,458	\$19,996	FDIC
Commercial Banks and Trust Companies	\$7,366	\$7,568	\$10,061	\$10,724	FDIC
Savings Institutions	\$10,328	\$11,044	\$9,397	\$9,272	FDIC
Annual percent change:					
Total	1.0%	5.2%	4.5%	2.8%	FDIC/NHES
Commercial Banks and Trust Companies	1.2%	2.7%	32.9%	6.6%	FDIC/NHES
Savings Institutions	0.9%	6.9%	-14.9%	-1.3%	FDIC/NHES
BANK DEPOSITS - Total All Banks	\$14,313	\$14,476	\$14,869	\$15,964	FDIC
Commercial Banks and Trust Companies	\$5,843	\$5,773	\$7,627	\$8,997	FDIC
Savings Institutions	\$8,470	\$8,703	\$7,242	\$6,967	FDIC
Annual percent change:					
Total	-3.4%	1.1%	2.7%	7.4%	FDIC/NHES
Commercial Banks and Trust Companies	-2.7%	-1.2%	32.1%	18.0%	FDIC/NHES
Savings Institutions	-3.9%	2.8%	-16.8%	-3.8%	FDIC/NHES
EQUITY CAPITAL					
Total	\$1,474	\$1,546	\$1,735	\$1,920	FDIC
Commercial Banks and Trust Companies	\$639	\$625	\$844	\$944	FDIC
Savings Institutions	\$835	\$921	\$891	\$976	FDIC
NUMBER OF BANKING INSTITUTIONS	56	55	49	45	FDIC
NUMBER OF BANKING OFFICES (including branches)	386	398	396	396	FDIC
CREDIT UNIONS					
ASSETS	\$1,374	\$1,464	\$1,486	\$1,553	NCUA
Annual percent change:	0.0%	6.6%	1.5%	4.5%	NCUA/NHES
SHARES AND DEPOSITS	\$1,237	\$1,291	\$1,301	\$1,348	NCUA
Annual percent change:	-2.1%	4.4%	0.8%	3.6%	NCUA/NHES
NUMBER OF CREDIT UNIONS	38	37	36	35	NCUA
INDUSTRIAL FINANCING					
Bond issues (\$ millions) - fiscal year ending 6/30					
NH Industrial Development Authority	\$156.2	\$139.8	\$19.2	\$50.6	BFA
NON-CURRENT LOANS AND LEASES (\$ millions)					
[FDIC commercial banks, Dec. 31st totals]	\$67.8	\$82.4	\$91.0	\$130.4	FDIC
Percent change from previous year	-23.3%	21.5%	10.5%	43.4%	FDIC
Rank by percent of total (net) loans/leases (from smallest)	27	45	43	45	FDIC
BANKRUPTCY FILINGS					
Total (Calendar year)	3,622	3,054	3,207	3,692	BKR
Percent change from previous year:					
New Hampshire	-5.7%	-16.7%	5.0%	15.1%	BKR
Connecticut	-4.2%	-7.3%	8.7%	23.6%	BKR
Maine	-15.4%	-7.0%	25.1%	40.2%	BKR
Massachusetts	-11.2%	-6.9%	5.1%	19.0%	BKR
Rhode Island	-11.2%	-9.0%	11.3%	29.8%	BKR
Vermont	-15.8%	-1.5%	27.8%	29.5%	BKR
New England	-9.2%	-8.1%	8.4%	22.6%	BKR
United States	-9.9%	-4.8%	11.3%	27.2%	BKR
MORTGAGE DELIQUENCY RATE	3.11%	2.71%	3.13%	3.13%	NEEP
CONSUMER LOAN DELIQUENCY RATE	3.49%	2.29%	2.00%	2.69%	NEEP

their relatively small size. Their recent success may have come at a price. The 1982 decision by the NCUA to expand their customer base to include individuals outside the original membership has resulted in a court challenge initiated by some North Carolina bankers. The case was heard by the U.S. Supreme Court in October 1997. A decision is expected in the spring of 1998.

Banks in New Hampshire are facing a recurrence of problems most thought were behind them when the state's economy turned upward in 1992. These problems are the evil twins: delinquent loans and bankruptcy. New Hampshire had the questionable distinction of having the sixth highest rate (1.67 percent) of noncurrent loans in the nation for 1996 based on information supplied by FDIC. Noncurrent loans are those that are 90 days past due or in non-accrual status. Data through three quarters of 1997 show a continuation of that trend. By September 30, 1997, the state had edged up to fifth place. New Hampshire is one of four states in which the total rate of noncurrent loans is skewed by the presence of one or more large credit-card issuers which leads to high rates of noncurrent "loans to individuals". (New Hampshire ranked third highest in this category.) However, September's noncurrent loan rates in New Hampshire

were higher than the U.S. averages in all loan categories, and the state had the fifth highest rate of noncurrent real estate loans.

The over-the-year 15.1 percent increase in bankruptcy filings for the state of New Hampshire was the lowest in New England. However, bankruptcy filings have continued to climb at a time when they, seemingly, should have been falling since the New Hampshire economy has been purring along. Information released in November 1997 by the U.S. Bankruptcy Court in Manchester indicates the rate of bankruptcy filings was up 33 percent for the first ten months of 1997 compared to the same period in 1996. The source of the problem seems to be the freewheeling use of credit cards by individuals to establish and maintain a standard of living that they cannot sustain. A contributing factor may be that recent revisions to bankruptcy laws allowing the protection of more assets than in the past may have made filing for bankruptcy less onerous. In the last year credit card issuers have indicated that they have tightened the standards used to select potential customers for cards thus theoretically lowering the number issued. Some time will be required to realize the effects of the new standards.

*Richard Hocker*

## 12. GOVERNMENT REVENUES AND EXPENDITURES

A budget is a control tool and a financial plan outlining how funds are obtained and spent. Revenues and expenditures are the two components of any budget. If a budget is prepared without acknowledging the availability of resources, then it cannot be of much use to anyone in making decisions. In New Hampshire, as elsewhere, spending adjustments are needed if revenues fluctuate. Revenues have fluctuated over time in various areas, such as tobacco and business taxes, depending on consumer choices and the state of the economy.

General Fund unrestricted revenues come from various taxes and fees which are not targeted toward specific programs. Restricted revenues include areas such as tolls, the fuel tax, etc. Some of the unrestricted revenue vehicles are listed in the accompanying table. They include the Business Profits Tax (BPT), the Meals and Rooms tax, and the Interest and Dividends tax. The BPT is levied on businesses whose gross income exceeds \$15,000, including corporations, limited liability companies, partnerships and sole proprietorships. The current rate is 7 percent of the taxable business profits.

The Interest and Dividends tax is a gross income tax levied upon all interest and dividends received by a taxpayer except for interest earned on New Hampshire state and municipal and U.S. obligations (i.e., bonds). Individuals have a \$2,400 exemption. (Note: The interest and dividends tax has been controversial in

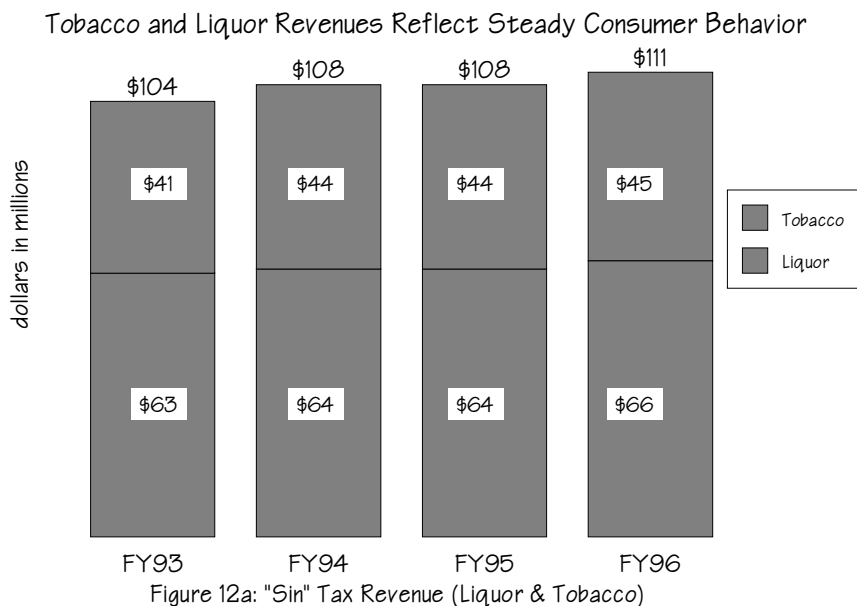
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**Property values rebounded somewhat as the state total equalized property valuation increased to \$62.8 billion in 1996**

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recent years due to exempt and non-exempt investment interpretations. It is currently being litigated in the courts where a final ruling could have significant budgetary implications.)

The state's General Fund unrestricted revenues, excluding Medicaid enhancement revenues, rose from \$693.7 million in 1995 to \$727.3 million in 1996. Unrestricted revenues, taking into account Medicaid revenues and shortfalls for the Uncompensated Care Pool, decreased from \$962.8 million to \$818.8 million in 1996.



12. GOVERNMENT REVENUES AND EXPENDITURES	1993	1994	1995	1996	Source
UNRESTRICTED REVENUE TO STATE GENERAL FUND (\$ thousands)(FY ending 6/30)					
Total unrestricted revenue	\$798,995	\$1,120,033	\$962,833	\$818,806	AS
Selected unrestricted general fund revenues					
Business profits tax	\$128,727	\$112,293	\$138,348	\$152,683	AS
Business enterprise tax	\$0	\$23,975	\$29,764	\$24,969	AS
Meals and rooms tax	\$95,398	\$101,419	\$107,501	\$113,369	AS
Liquor sales and distribution tax	\$63,463	\$63,990	\$63,626	\$65,971	AS
Insurance tax & securities revenue	\$48,221	\$56,167	\$56,361	\$66,109	AS
Tobacco tax	\$41,189	\$43,712	\$44,065	\$44,537	AS
Interest and dividends tax	\$36,088	\$35,767	\$37,970	\$51,878	AS
Board and care revenue	\$12,731	\$14,005	\$14,440	\$13,628	AS
Estate and legacy tax	\$31,064	\$32,128	\$38,456	\$33,270	AS
Telephone/communication tax	\$29,529	\$30,512	\$33,212	\$35,519	AS
Real estate transfer tax	\$26,837	\$29,221	\$28,971	\$30,192	AS
Utilities tax	\$21,077	\$19,962	\$17,073	\$17,488	AS
Net Medicaid enhancement revenue <sup>1</sup>	\$180,100	\$250,400	\$116,614	\$101,983	AS
STATE GOVERNMENT GENERAL REVENUE					
TOTAL (\$ millions) (FY ending 6/30)	\$2,550.5	\$2,649.3	\$2,673.9	\$2,706.2	CB
Taxes	\$993.3	\$837.0	\$918.4	\$837.0	CB
From Federal Government	\$779.7	\$1,027.3	\$925.4	\$1,011.0	CB
PER \$1,000 PERSONAL INCOME:					
New Hampshire	\$105.27	\$106.20	\$99.33	\$92.11	CB
United States	\$127.60	\$129.76	\$131.23	\$126.77	CB
United States rank:					
Total general revenue	46	46	50	50	CB
From taxes	50	50	50	50	CB
From Federal Government	37	21	37	31	CB
STATE GOVERNMENT GENERAL EXPENDITURES					
TOTAL (\$ millions) (FY ending 6/30)	\$2,583.6	\$2,797.4	\$2,717.9	\$2,841.1	CB
PER \$1,000 PERSONAL INCOME:					
New Hampshire	\$106.60	\$112.14	\$100.96	\$96.70	CB
United States	\$126.20	\$128.47	\$130.25	\$124.23	CB
United States rank:					
Total general expenditures	44	42	50	50	CB
Education	50	50	50	50	CB
Public welfare	9	6	18	18	CB
Highways	39	45	48	47	CB
STATE & LOCAL GOVERNMENT GENERAL REVENUE PER \$1,000 PERSONAL INCOME (FY ending 6/30)					
Total general revenue	\$179.32	\$178.68	n/a	n/a	CB
United States rank	46	46	n/a	n/a	CB
Total taxes	\$106.81	\$99.79	n/a	n/a	CB
United States rank	41	47	n/a	n/a	CB
Property tax	\$65.45	\$65.74	n/a	n/a	CB
United States rank	1	1	n/a	n/a	CB
Percent of total taxes	61.3%	65.9%	n/a	n/a	CB
Percent of general revenue	36.5%	36.8%	n/a	n/a	CB
United States rank	1	1	n/a	n/a	CB
PROPERTY VALUATIONS, EQUALIZED					
State total equalized valuation (\$ millions)	\$60,372	\$60,549	\$61,338	\$62,883	RA
Annual percent change	-3.4%	0.3%	1.3%	2.5%	RA/NHES
Percent in Hillsborough & Rockingham Counties	52.2%	52.1%	52.3%	52.5%	RA
Property tax assessment ratio	1.03	1.05	1.04	1.03	RA
Full value tax rate per \$1,000	\$24.58	\$25.34	\$25.10	\$26.38	RA
UNEMPLOYMENT INSURANCE TAX					
Average tax per worker (federal & state)					
in private covered employment	\$215	\$223	\$183	\$138	NHES
<sup>1</sup> Net Medicaid enhancement revenues are based on: disproportionate share of board & care revenues, Medicaid enhancement tax/Uncompensated Care Pool, and transfers to/from the Uncompensated Care Pool)					

The largest revenue item is the BPT. The highest amount prior to 1996 for BPT revenue was \$150.3 million in 1987 when the rate was 8.25 percent. The BPT amount for 1996 was \$152.6 million. The second largest unrestricted revenue source was the meals and rooms tax with an increase of \$5.8 million from 1995 to 1996. In Fiscal Year 1995 a portion of the meals and rooms tax began to be shared with local governments and certain unincorporated places. Revenue from liquor sales and distribution rebounded somewhat in 1996 after a dip in 1995. The tobacco tax brought in slightly more revenue in 1996 over 1995, and the latest tobacco tax increase (i.e., 12.5 cents per pack increase) may bring in more revenue in the future depending upon consumer behavior.

Basic Medicaid enhancement revenue has been made up of the following components: disproportionate share of board and care revenue, meals and rooms tax on hospitals, and the Medicaid enhancement tax/Uncompensated Care Pool. The meals and rooms tax on hospitals stopped after FY95. Transfers to or from the Uncompensated Care Pool increase or decrease net Medicaid enhancement revenues. Transfers into, or out of, the Pool are made depending upon the need to cover uncompensated patient care or the need to shift funds to cover Medicaid shortfalls. The state started receiving Medicaid enhancement revenues in 1991. After significant increases in the early 1990's, federal changes resulted in a decreasing trend for the remainder of the 1990's (\$269 million in 1995, \$92 million in 1996). A certain portion of the one time disproportionate receipt in 1994 established a Health Care Transition Fund. Depending upon circumstances, transfers from this fund can be made to offset shortfalls in Medicaid enhancement revenues.

General Fund appropriations were \$844.1 million for FY96, down \$19.6 million from FY95. The state is addressing a basic problem of a structural

### Property Values Began to Rebound in Mid-1990s

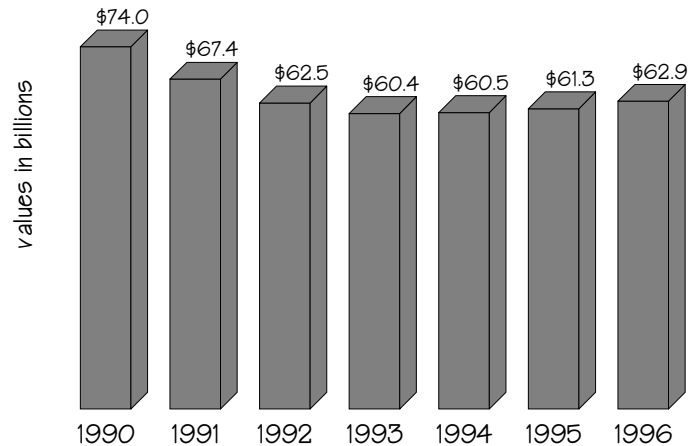


Figure 12b: State Total Equalized Property Valuations 1990-1996

deficit. Medicaid enhancement revenues have tended to help balance the budget time and time again during the 1990s. But as Congress, the state and the public deliberate this issue, many believe that particular spigot will slow its flow. The largest increase in appropriations from FY95 to FY96 was in justice and public protection. The largest increase over the FY93-96 period was \$55.9 million in health and social services. They traditionally have the largest portion of the expenditure side of the budget (46% for FY96). Education appropriations decreased from \$127.2 million in FY95 to \$121.8 million in FY96.

Property values rebounded somewhat in 1996 as the state total equalized property valuation increased from \$61.3 billion in 1995 to \$62.8 billion in 1996. That is still \$11.1 billion below the figure at the beginning of the decade.

The average unemployment insurance tax paid per covered worker decreased from \$183 in 1995 to \$138 in 1996. In large part, this is the result of a rate reduction, beginning in the third quarter of 1995, based on the size of the Unemployment Compensation Fund.

*Scott Gessis*

### 13. INCOME, WAGES, AND COST OF LIVING

Total personal income rose another 4.9 percent in 1996 as it neared \$31 billion. This is on the heels of a 7.2 percent jump in 1995. Over the two-year period personal income has risen over \$3.4 billion.

The 1996 ascent came despite a decrease of over \$38 million in total transfer

of this was in business services. Health services growth slowed in 1996, adding \$92.7 million, uncharacteristically growing less than \$100 million. Manufacturing added \$271 million, a 6.4 percent gain. Nearly all the expansion was in durable goods manufacturing where the manufacture of electronic and other electrical equipment surged 17.4 percent to nearly \$790 million, a gain of over \$119 million.

#### Nearly a billion dollars more in wages were paid to people in the New Hampshire work force in 1996

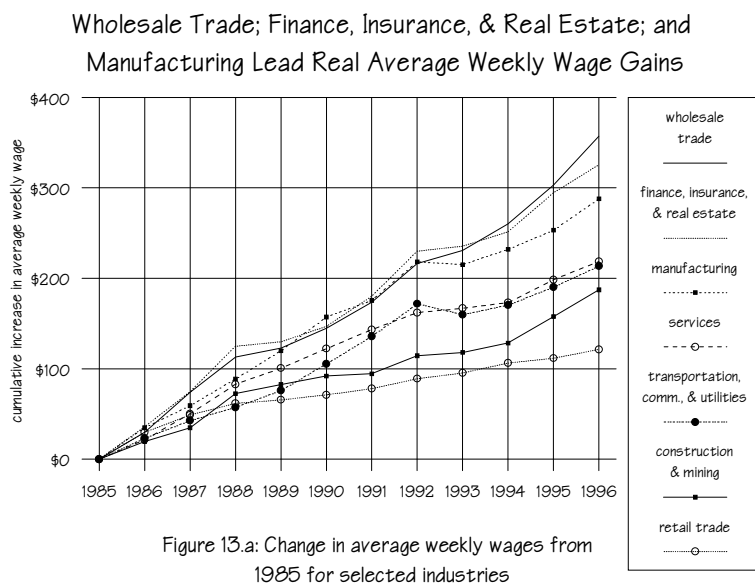
payments—the payments government makes to individuals. Most areas of transfer payments, i.e. Medicare, OASDI, Unemployment Compensation benefits, welfare programs, etc., increased. The Medicaid Enhancement Fund, however, decreased by over \$150 million.

Increases in the net earnings component spanned the entire economy as each division expanded over its 1995 number. The services division led the way with an increase of over \$404 million, for 7.1 percent growth. Over \$135 million

The five states with the highest percentage change in total personal income from 1995 to 1996 were all in the Plains region. According to the U.S. Department of Commerce, farm earnings, a result of an excellent corn crop in 1996 after a poor 1995, propelled the entire region to a 7.3 percent increase. The Dakotas, North and South, led the way with 11.6 and 10.4 percent increases respectively. During the first two quarters of 1997 New Hampshire grew by another 2.7 percent, two-tenths of a percentage point slower than the national rate.

Per capita income in 1996 in New Hampshire, at \$26,615, dropped from seventh to eighth highest in the nation. Illinois, which had been nipping at the heels of the Granite State for two years, overtook it by \$233. After posting two consecutive years of growth in per capita income in excess of six percent, growth in 1996 was only 3.6 percent, one full percentage point under the national average. Per capita personal income was \$24,426 for the nation and \$28,989 for the New England states. The New England rate was the highest of all the regions.

After adjusting for inflation using the Consumer Price Index (CPI), per capita personal income (PCPI) in New Hampshire increased only 0.2 percent, considerably less than the two previous years with gains of over three percent. When deflated by the Implicit Price





13. INCOME, WAGES, AND COST OF LIVING	1993	1994	1995	1996	Source
TOTAL PERSONAL INCOME (\$ millions)	\$25,706	\$27,532	\$29,510	\$30,939	BEA
Components:					
Net Earnings <sup>a</sup>	68.3%	67.4%	67.0%	67.5%	BEA
Dividends, interest, rent	18.6%	18.7%	19.2%	19.4%	BEA
Transfer payments	13.0%	13.9%	13.8%	13.1%	BEA
PER CAPITA PERSONAL INCOME	\$22,895	\$24,250	\$25,700	\$26,615	BEA
United States rank (excluding D.C.)	9	7	7	8	BEA
Annual percent change	2.5%	5.9%	6.0%	3.6%	BEA
Net percent change after adjusting for inflation using CPI	-0.2%	3.2%	3.4%	0.2%	
Net percent change after adjusting for inflation using Implicit Price Deflator for GDP	-0.1%	3.5%	3.2%	1.3%	BEA/NHES
PER CAPITA DISPOSABLE INCOME	\$20,377	\$21,599	\$22,836	\$23,416	BEA
United States rank (excluding D.C.)	8	6	5	7	BEA
Annual percent change	2.2%	6.0%	5.7%	2.5%	NHES/BEA
Net percent change after adjusting for inflation using CPI	-0.5%	3.2%	3.1%	-0.8%	
Net percent change after adjust for inflation using Implicit Price Deflator for GDP	-0.4%	3.6%	3.0%	0.3%	BEA/NHES
MEDIAN HOUSEHOLD INCOME					
New Hampshire	\$37,964	\$35,245	\$39,171	\$39,407	CB
Connecticut	\$39,516	\$41,097	\$40,243	\$42,119	CB
Maine	\$27,438	\$30,316	\$33,858	\$34,696	CB
Massachusetts	\$37,064	\$40,500	\$38,574	\$39,494	CB
Rhode Island	\$33,509	\$31,928	\$35,359	\$36,986	CB
Vermont	\$31,065	\$35,802	\$33,824	\$32,358	CB
TOTAL WAGES in employment covered by unemployment compensation (\$ millions)					
Private and public employers	\$12,218	\$13,026	\$14,045	\$15,004	NHES
Annual percent change	3.2%	6.6%	7.8%	6.8%	NHES
AVERAGE WEEKLY WAGES IN PRIVATE EMPLOYMENT covered by unemployment compensation					
All industries (annual average)	\$475.83	\$486.79	\$507.23	\$531.68	NHES
United States rank (including D.C.)	20	20	21	17	BLS
Annual percent change	0.6%	2.3%	4.2%	4.8%	NHES
Manufacturing	\$627.06	\$644.01	\$665.01	\$699.88	NHES
Construction and mining	\$510.22	\$520.48	\$549.81	\$579.32	NHES
Transportation, communications, and utilities	\$605.73	\$617.65	\$637.39	\$660.66	NHES
Wholesale trade	\$688.81	\$718.15	\$760.74	\$815.20	NHES
Retail trade	\$272.77	\$283.67	\$289.00	\$298.87	NHES
Finance, insurance, and real estate	\$586.90	\$602.56	\$645.92	\$676.95	NHES
Services	\$446.73	\$452.87	\$478.23	\$498.53	NHES
AVERAGE WEEKLY EARNINGS					
Production Workers in Manufacturing Employment	\$489.20	\$496.60	\$497.18	\$512.24	BLS
United States rank (including D.C.) [1 = highest]	23	24	28	28	BLS
U.S. PRICE INDICES:					
CONSUMER PRICE INDEX, All Urban Consumers, Year End (December each year)	145.8	149.7	153.5	158.6	BLS
December to December percent change (U.S., 1982-4 = 100)	2.7%	2.7%	2.5%	3.3%	BLS
IMPLICIT PRICE DEFLATOR FOR GDP (1992=100)	102.6	105.0	107.8	110.2	BEA
Percent change	2.6%	2.3%	2.7%	2.2%	BEA/NHES
<sup>a</sup> Earnings (wages and salaries, other income, and proprietors' income) by place of work, less personal social insurance by place of work, adjusted for place of residence.					

Deflator for GDP, there was 1.3 percent growth. This is likewise quite small when compared to the three plus percent gains of 1994 and 1995.

In 1996 New Hampshire, with per capita disposable income (PCDI) of \$23,416, fell from fifth highest to seventh highest in the nation. Both Maryland and Delaware inched past the Granite State. The 1996 difference between PCPI and PCDI was \$3,199 in New Hampshire. When deflated against the CPI, PCDI actually decreased in 1996.

### Wages

Nearly a billion dollars more in wages were paid to people in the New Hampshire work force in 1996. This was the result of two factors - more people employed in the state and a higher average weekly wage. The 541,821 people employed in New Hampshire at any one time experienced an average weekly wage increase of \$24.45 over 1995. Wholesale trade employees enjoyed the largest jump, nearly \$55; while those in manufacturing saw a hike of over \$35. Only retail trade, a division with much part-time work, saw an increase limited to under \$20 per week. The average weekly earnings of produc-

tion workers in manufacturing employment continued an upward trend, but again did not keep pace with the average weekly wage in private employment. Before 1991 production workers had a weekly wage higher than the average weekly wage of all private employment. This trend did not hold in 1991 and 1992, but recurred during 1993 and 1994. In the past two years, however, growth in production workers' weekly wages once again lagged, while wages for all private employment expanded considerably.

### Cost of Living

The terms "cost of living" and "rate of inflation" are misnomers. Both suffer from lack of definition. The federal legislators are struggling with these concepts. In the past, the federal government used the Consumer Price Index (CPI) for recalculation of pensions, entitlements, and other allotments. Cost of living adjustments (COLA) were calculated by many businesses. Several economists have proposed that the CPI overstates inflation. Estimates of the degree of overstatement range anywhere from half of a percentage point to two whole percentage points.

Given that caveat, the CPI continued its very slow upward movement. Since 1990 the December to December change has been at 3.3 percent or less. This six-year span is the longest for cost containment of the past thirty years. Between 1968 and 1990 only 1972, 1983, and 1986 had a December to December percent change below 3.3 percent.

*Martin Capodice*

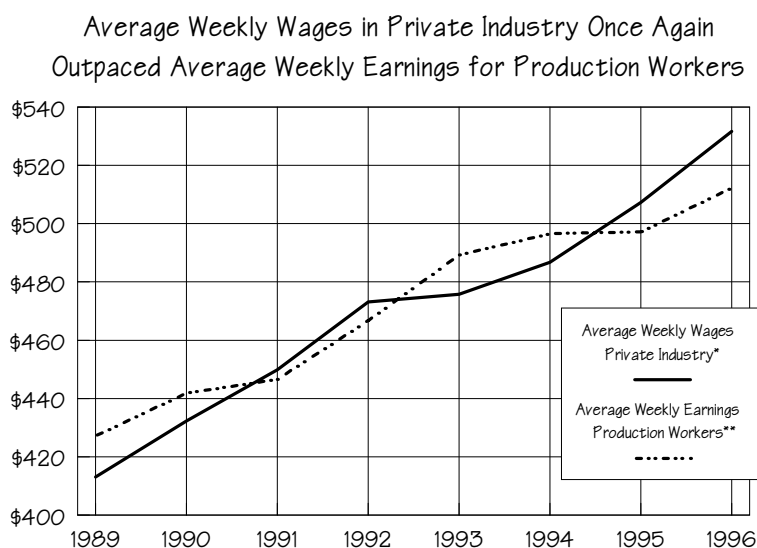


Figure 13.b: Average Weekly Wages in All Private Industry and  
Average Weekly Earnings for Production Workers, 1989-1996

\* Covered Employment

\*\* Current Employment Statistics

## 14. SOCIAL ASSISTANCE

New Hampshire retained the lowest poverty rate in the nation, with a 1994 to 1996 three-year moving average rate of 6.5 percent. The state posted a statistically insignificant change of -0.6 percent in the two-year moving averages of 1994-95 and 1995-96. New Hampshire's poverty rate is the lowest among the six New England states for the second year in a row. Because there is a relatively large standard error in year-to-year changes, the moving average is the most accurate method of evaluating changes over time. Poverty data are compiled from the Current Population Survey (CPS), and defined by a poverty threshold based on size of family and the Consumer Price Index. The 1996 U.S. poverty threshold for a family of four is defined as \$16,036 annual income, an increase of \$467 over 1995.<sup>1</sup>

In most recent county-level poverty rates released by the U.S. Census Bureau, for the year 1993, Rockingham County had both the lowest total percent of persons in poverty (6.5 percent) and the lowest percent of children aged 5 to 17 in poverty (7.2 percent). The 1993 New Hampshire total persons poverty

rate was 8.6 percent (revised March 1997). Coos County and Carroll County had the highest total percent of persons in poverty (11.8 percent and 11.7 percent, respectively), and Cheshire County had the highest percent of related children in poverty (14.1 percent).

### In New Hampshire implementation of welfare reform has been a cooperative effort among state agencies

#### Welfare Reform

In August 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWOR) was passed by the U.S. Congress. A new system of block grants to States, known as *Temporary Assistance for Needy Families* (TANF) was created, changing the nature and provision of welfare benefits. The primary goal of this policy is to move people from welfare to work. Funding for this activity is being provided by Welfare-to-Work Grants totaling \$3 billion, given to states and local

Historical New Hampshire Poverty Rates Stay Well Below Those for the Northeast and the US

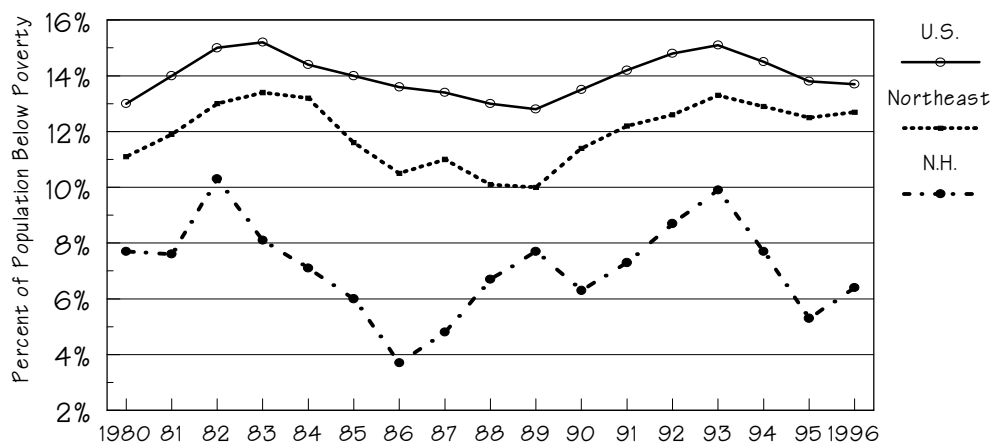


Figure 14.a: Poverty Rates, N.H., Northeast, and U.S., 1980-1996

US Bureau of the Census: Current Population Statistics

Rockingham County Held Lowest Poverty Rate  
for Both All Population and Related Children in 1993

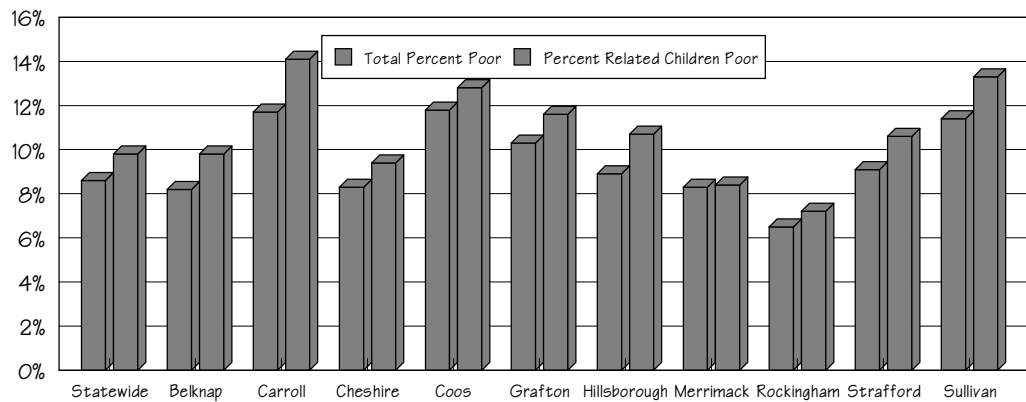


Figure 14.b: Poverty Estimates for NH and Ten Counties, 1993  
US Bureau of the Census: State and County Income and Poverty Estimates, 1993  
(revised March 1997)

communities for the purpose of creating job opportunities for the hardest-to-employ recipients of TANF.<sup>2</sup>

In New Hampshire, welfare reform legislation was enacted in November 1995, and federal waivers to change AFDC, JOBS, and Food Stamp programs were successfully negotiated. Implementation of the New Hampshire Employment Program (NHEP) was completed in all twelve New Hampshire Employment Security local offices in October 1996. Also at that time, implementation of TANF was begun, replacing AFDC, JOBS, and Emergency Assistance Programs, as well as providing the federal authority needed to implement NHEP. As of January 1997, Administrative Rules had been written and approved by the New Hampshire Legislature.<sup>3</sup>

New Hampshire has distinguished itself from other states' plans in that the implementation of welfare reform has been a cooperative effort among state agencies. Administration is provided by an interagency partnership between the Department of Health and Human Services (DHHS) and New Hampshire Employment Security (NHES). Efficient delivery of employment, education, and training services is provided by a collaborative effort among three agencies:

DHHS, NHES, and the New Hampshire Job Training Council/Postsecondary Technical College System, each of which provides staff to work as a team. The interagency teams are located in NHES local offices across the state, serving individuals in a timely manner, and reducing duplication of services. The staff are also cross-trained in the services of all agencies, which improves sharing of information, service delivery, and provides consistent delivery of a "work first" approach.

New Hampshire's plan for replacement of AFDC programs is divided into two parts:

*The New Hampshire Employment Program* involves financial assistance for families where children are cared for by a relative who is receiving assistance and is considered able to work, and;

*The Family Assistance Program* offers financial assistance for families where the children are cared for by a relative who is not receiving assistance or the relative is considered unable to work because of a physical and/or mental disability.

The program is based on 26-week cycles, similar to unemployment compensation.

14. SOCIAL ASSISTANCE	1993	1994	1995	1996	Source
<b>POVERTY</b>					
Persons below poverty (percent of population)					
Caution: relatively large standard errors					
New Hampshire	9.9%	7.7%	5.3%	6.5%	CB
Connecticut	8.5%	10.8%	9.7%	10.7%	CB
Maine	15.4%	9.4%	11.2%	10.6%	CB
Massachusetts	10.7%	9.7%	11.0%	10.3%	CB
Rhode Island	11.2%	10.3%	10.6%	10.6%	CB
Vermont	10.0%	7.6%	10.3%	10.2%	CB
United States	15.1%	14.5%	13.8%	14.0%	CB
<b>WELFARE (Annual averages)</b>					
Total cases (same day each month)	29,540	31,233	31,218	30,857	DHS/NHES
Aid to families with dependent children (AFDC) <sup>a</sup>	13,653	14,187	12,798	12,442	DHS/NHES
Age 65 or over	8,001	8,135	8,446	8,545	DHS/NHES
Disabled or blind	6,389	7,346	8,305	8,141	DHS/NHES
Persons on welfare (averages of 1 day/month) <sup>a</sup>	59,692	60,099	52,373	47,920	DHS
Annual percent change	9.6%	0.7%	-12.9%	-8.5%	DHS
<b>AFDC RECIPIENTS PER 1,000 POPULATION (July data)</b>					
New Hampshire	26.2	26.7	23.1	20.0	OFA/NHES
United States rank (1=lowest)	3	6	5	3	OFA/NHES
Connecticut	49.3	51.0	51.7	48.4	OFA/NHES
United States rank	30	33	37	37	OFA/NHES
Maine	54.4	50.9	46.9	43.8	OFA/NHES
United States rank	35	32	32	32	OFA/NHES
Massachusetts	54.1	49.4	42.3	37.3	OFA/NHES
United States rank	34	30	27	27	OFA/NHES
Rhode Island	61.7	62.3	59.8	57.6	OFA/NHES
United States rank	44	tie 45	tie 46	46	OFA/NHES
Vermont	49.6	47.9	45.6	41.8	OFA/NHES
United States rank	28	28	30	tie 30	OFA/NHES
<b>SOCIAL SECURITY RECIPIENTS (December data)</b>					
Total OASDI including spouses and children	176,050	180,090	186,290	188,350	SSA
Annual percent change	2.2%	2.3%	3.4%	1.1%	SSA
Retirement (Retired workers) <sup>b</sup>	119,960	121,300	124,230	125,580	SSA
Survivor (Widows, Widowers and Parents) <sup>b</sup>	18,920	19,130	18,970	18,820	SSA
Disability (Disabled workers) <sup>b</sup>	14,240	15,960	17,580	18,630	SSA
Age 65 and over	131,710	133,300	136,290	138,030	SSA
Percent of total OASDI recipients	74.8%	74.0%	73.2%	73.3%	SSA/NHES
Age 65-69 years	39,740	39,290	39,480	38,810	SSA
Age 70-74 years	33,850	34,840	35,720	36,520	SSA
Age 75 years and older	58,120	59,170	61,090	62,700	SSA
Percent women	59.6%	59.6%	58.8%	58.7%	SSA/NHES
Children aged 17 and under	9,340	10,430	11,780	11,790	SSA
Monthly OASDI benefit amount total (000)	\$87,400	\$91,660	\$96,773	\$101,586	SSA
Retired workers (median)	\$675.40	\$702.90	\$725.40	\$754.00	SSA
Non-disabled widows and widowers (median)	\$651.20	\$685.30	\$699.10	\$731.80	SSA
Disabled workers (median)	\$626.40	\$640.40	\$652.20	\$667.00	SSA
<sup>a</sup> Includes families with unemployed parent in household					
<sup>b</sup> Excludes spouses and children					

Old-Age and Survivors Insurance and Disability Insurance Trust Funds  
Are Considered Financially Adequate for the Next Ten Years;  
Hospital Insurance and Supplementary Medical Insurance Are Not

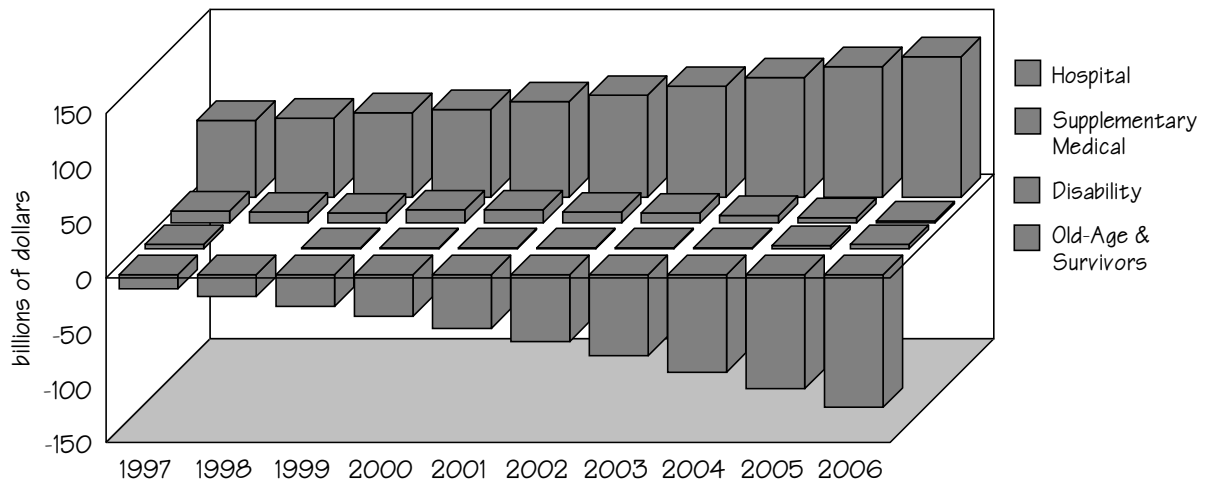


Figure 14.c: Estimated Income Less Expenditures, Trust Funds, 1997-2006

Social Security Bulletin, Vol. 60, No. 2, 1997, p. 63

The first 26-week cycle is the Job Search program, where an intensive job search is required for all able-bodied participants. The goal is for participants to gain unsubsidized employment within that time period. Participants who are unsuccessful after the initial 26 weeks enter the second cycle of the program, the Work for Benefits Program. This cycle is also 26 weeks in length, and may include on-the-job training placement, other subsidized employment, or an Alternative Work Experience Program (AWEP), besides continuing to look for full-time, unsubsidized employment. At the end of the second 26 weeks, the cycle begins anew.

The program provides both incentives and disincentives to encourage participants to take an active role in obtaining independence. Incentives include retention of earned income, exclusion of the value of one vehicle per parent in eligibility considerations, assistance in applying for advanced Earned Income Tax Credits, extended medical benefits, and savings of up to \$2,000 permitted and not affecting eligibility. Disincentives for those who do not participate include step reduction of standard payment levels, and closure of the case for continued noncom-

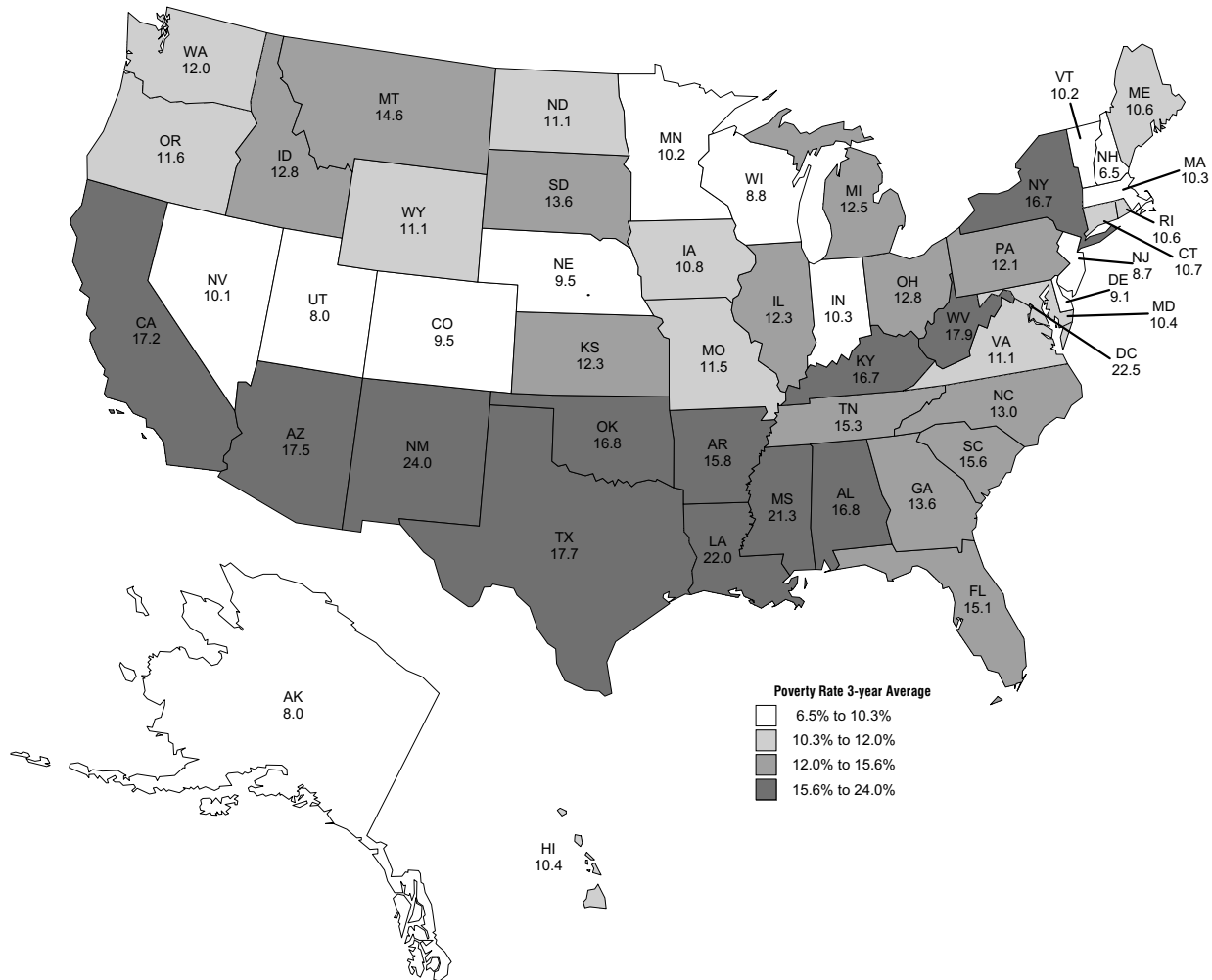
pliance.

#### Social Security Trust Funds

The Annual Social Security and Medicare Trust Fund Report, published by the Board of Trustees in the *Social Security Bulletin*<sup>4</sup>, provides both short-range (10-year) and long-range (75-year) estimates of trust fund balances, based on assumptions about economic growth, wage growth, inflation, unemployment, fertility, immigration, and mortality. The most critical fund remains the Hospital Insurance Trust Fund (HI), which pays inpatient hospital expenses. This fund will be able to pay benefits for only about four more years due to a severe long-range financial imbalance. The Supplementary Medical Insurance Trust Fund (SMI) is financed on a year-by-year basis and so contributions are adjusted to meet expected expenses. With costs rising faster each year, long-term changes are required. The Old-Age and Survivors Insurance Trust Fund (OASI), Social Security, is estimated to have income that exceeds outgo for about the next 34 years. While short-term financing is still viable, the long-term deficit certainly requires attention. The fourth trust fund, Disability Insurance (DI), which pays disability benefits, is projected to be

## Percent of Persons in Poverty

3-year Average 1994-1996



exhausted in 2015. Historically, this fund does not have predictable increases or decreases. It will require close monitoring to prevent it from becoming insolvent.

The public trustees for these funds feel that these estimates provide an early warning for change, and are not evidence of a failed system. Solutions can be found to the financing problems facing America as the population ages.

*Katrina Evans*

<sup>1</sup> Lamison-White, Leatha, *Poverty in the United States: 1996*, US Department of Commerce, Economics and Statistics Administration, Bureau of the Census.

<sup>2</sup> U.S. Department of Labor, *Welfare-to-Work Grants Fact Sheet*, August 20, 1997.

<sup>3</sup> New Hampshire Employment Security, *1996 Annual Report*, June 1997.

<sup>4</sup> Social Security Administration, "Summary of the 1997 Annual Social Security and Medicare Trust Fund Reports", Social Security Bulletin, Vol. 60, November 2, 1997.

## 15. HEALTH

After dropping to fourth place in the ReliaStar State Health Rankings in 1996, New Hampshire improved its health rating in 1997, moving up to second place behind Minnesota. The ReliaStar Life Insurance Company has been ranking the healthiness of each state's population since 1990, rating seventeen components of

categories of lifestyle and access to health care. The state ranked poorly, however, in cancer cases (tie for 28th) and occupational fatalities (40th).

The prevalence of smoking among adults aged 18 and over decreased from 22.4 percent to 21.5 percent. This factor, one of 1996's big negatives, helped improve the 1997 rank. The data is based on the Behavioral Risk Factor Survey from the Centers for Disease Control (CDC), with 1994 survey data included in the 1996 ReliaStar rankings and 1995 survey data included in the 1997 rankings. Additional data from the 1995 CDC survey showed that 22.0 percent of adult men and 21.0 percent of adult women in New Hampshire reported ever smoking at least one hundred cigarettes and are also currently smoking.

The overall health of the country continued to improve based on the ReliaStar ranking, up 3.6 percent over 1996, and a total of 8.7 percent since 1990. Violent crime (down 4.3 percent), infectious disease (down 8.2 percent), and infant mortality (down 3.6 percent) contributed to the higher score. All New England states improved their rankings, with Massachusetts tied for third; Connecticut ranked eighth; Vermont tied for twelfth; Maine tied for eighteenth; and Rhode Island tied for twenty-third.<sup>1</sup>

### The percent of New Hampshire residents without health care coverage continues down

health in the categories of lifestyle, access to health care, occupational safety and disability, prevalence of disease, and mortality. New Hampshire has maintained a position in the top four for all eight years of the ranking, and overall has improved from 18 percent above the all-state average in 1990 to 33 percent above the all-state average in 1997. The positive change from 1990 to 1997 is the sixth highest among all states.

In 1997 New Hampshire's second place ranking was bolstered by a first place score in low violent crime, adequate prenatal care, and low premature death. The state also ranked first in the overall

Percentage of New Hampshire Adults Who Smoke  
Has Gone Down Five Percent Since 1987

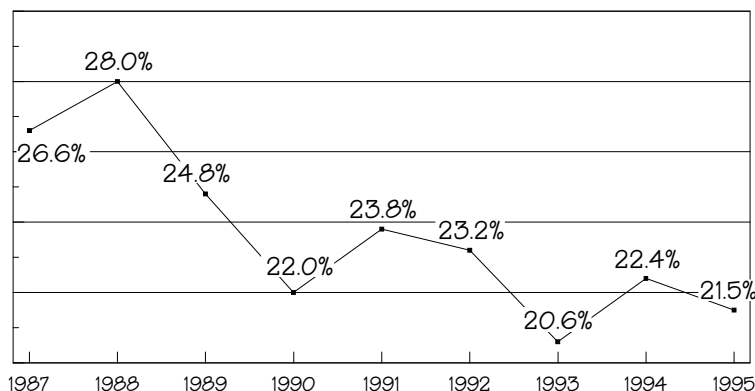


Figure 15.a: Percentage of NH adults who reported cigarette smoking, 1987-1995  
(those who ever smoked at least 100 cigarettes and currently smoke)

Source: Behavioral Risk Factor Surveillance System, Centers for Disease Control

### Health Insurance Coverage<sup>2</sup>

Data from the Current Population Survey showed an estimated 41.7 million people (15.6 percent) in the United States did not have health insurance coverage during the entire 1996 calendar year. Although this represented an increase in head count by 1.1 million people over 1995, the proportion was statistically unchanged from the previous year. Also unchanged from 1995 were the population segments most likely to lack coverage, including young adults,



15. HEALTH	1993	1994	1995	1996	Source
<b>HOSPITAL INSURANCE</b>					
Medicare:					
Aged	134,000	136,000	138,000	140,000	SSA
Disabled	14,000	16,000	17,000	19,000	SSA
Average covered charge per day of care					
Short-stay hospitals:					
New Hampshire	\$1,456	\$1,543	\$1,697	\$1,849	SSA
New England	\$1,424	\$1,567	\$1,764	\$1,915	SSA
United States	\$1,626	\$1,763	\$1,921	\$2,085	SSA
Skilled Nursing Facilities					
New Hampshire	\$366	\$402	\$419	\$426	SSA
New England	\$260	\$301	\$347	\$389	SSA
United States	\$313	\$356	\$402	\$444	SSA
Medicaid:					
Average payments per recipient					
New Hampshire	\$4,794	\$4,848	\$4,880	\$5,496	SSA
New England	\$4,071	\$4,660	\$4,846	\$4,736	SSA
United States	\$3,042	\$3,080	\$3,311	\$3,389	SSA
<b>WORKERS' COMPENSATION PAYMENTS</b>					
Reported injuries & compensable disabilities					
Injuries per 100 in employment (FY)	11.3	11.1	10.8	10.3	LD
Compensable injuries per 100 in employment (FY)	2.2	2.4	2.2	2.0	LD
Benefits paid by insurance companies and self insurers					
(Calendar year, \$ millions)	\$194.6	\$177.6	\$160.3	\$167.1	LD
Annual percent change	-4.2%	-8.7%	-9.7%	4.2%	LD/NHES
<b>HEALTH SERVICES</b>					
General hospitals, acute care only (excludes nursing home beds)					
Total admissions	108,176	105,437	109,708	108,340	HA
Percent change					
New Hampshire	-5.7%	-2.5%	4.1%	-1.2%	HA
New England	-2.1%	-2.4%	-3.1%	-1.3%	HA
United States	-0.2%	-0.1%	0.7%	0.5%	HA
Total number of inpatient days	749,255	763,704	753,739	706,396	HA
Inpatient days per 1,000 population:					
New Hampshire	666.0	671.1	662.9	588.7	HA
New England	834.7	792.9	722.0	679.5	HA
United States	836.9	795.8	767.8	746.2	HA
Average length of stay (in days):					
New Hampshire	6.9	7.0	6.8	6.5	HA
New England	6.9	6.7	6.3	6.0	HA
United States	7.0	6.7	6.4	6.2	HA
Inpatient Surgeries	36,993	33,317	31,621	31,482	HA
Outpatient Surgeries	47,883	47,664	50,193	52,332	HA
<b>TOTAL EXPENSE PER HOSPITAL ADMISSION<sup>a</sup></b>					
New Hampshire	\$6,881	\$6,087	\$6,187	n/a	HA
Annual percent change	25.3%	-11.5%	1.6%	n/a	HA/NHES
New England	\$6,932	\$7,096	\$6,877	n/a	HA
Annual percent change	8.0%	2.4%	-3.1%	n/a	HA/NHES
United States	\$6,333	\$6,454	\$6,215	n/a	HA
Annual percent change	6.6%	1.9%	-3.7%	n/a	HA/NHES
<sup>a</sup> Includes all patient activity with admission of one day or more					

people of Hispanic origin, those with low educational attainment, part-time workers, and foreign-born noncitizens. Since 1990, the percent of the population without health insurance has not shown any drastic changes.

In New Hampshire, 9.5 percent of the population was without health insurance coverage in 1996, slightly less than 1995 (10 percent). The state experienced one sharp increase in 1992, to 12.6 percent, but since then the percent uninsured has inched downward, staying considerably lower than the nation as a whole.

The issue of children without health insurance has been a subject of Congressional focus this past year. Nationally, 10.6 million (14.8 percent) children less than eighteen years of age lacked health insurance in 1996, an increase from the 1995 figure of 9.8 million (13.8 percent). Highest uninsured rates were among children aged twelve to seventeen, with 16.1 percent of that age group lacking health insurance. Younger children fared somewhat better, with 13.8 percent of the under six age group and 14.6 percent of the six to eleven age group lacking coverage. As with adults, Hispanic children were more likely to lack coverage than any other racial group. Poor children also experienced a significant lack of coverage, with 3.4 million

(23.3 percent) uninsured in 1996, and making up nearly one-third of all uninsured children.

Most recent data for New Hampshire from the Current Population Survey show a three-year (1994-1996) average rate for children under age nineteen at or below 200 percent of poverty. Of the estimated three-year average 298,000 children under age nineteen, 27.8 percent (82,000) were at or below 200 percent of poverty. Those among that group without health insurance coverage were estimated at 18,000 (6.0 percent).

The New Hampshire Insurance Department has sponsored a public hearing on the subject of health insurance for those who do not have access to employer-based group insurance. Fewer and fewer insurance companies are offering non-group plans, and those offered frequently have a very high price tag. Carriers are not required to offer insurance to individuals. The New Hampshire Insurance Department has a contract with the Center for Health Economic Research of Waltham, Massachusetts, to research the status of health insurance in New Hampshire and make recommendations for the reform of small group and individual markets.<sup>3</sup>

## Unconventional Medicine

A rising trend in health care is the integration of alternative or unconventional medical treatments, including chiropractic, acupuncture, homeopathy, nutritional counseling, naturopathy, massage therapy, acupressure, and therapeutic touch. A feature on alternative health care in New Hampshire by Peg Boyles, published in the *N.H. Business Review*, focused on the growing acceptance of alternative medicine by physicians, health care providers, and insurers.<sup>4</sup> The story references an article published in the *New England Journal of Medicine* in 1993 which reported on a Harvard Medical School study on alternative care. The study showed that one in three Americans had visited an alterna-

New Hampshire Reduces Percent of Population Without Health Care Coverage; US Percentages Have Grown

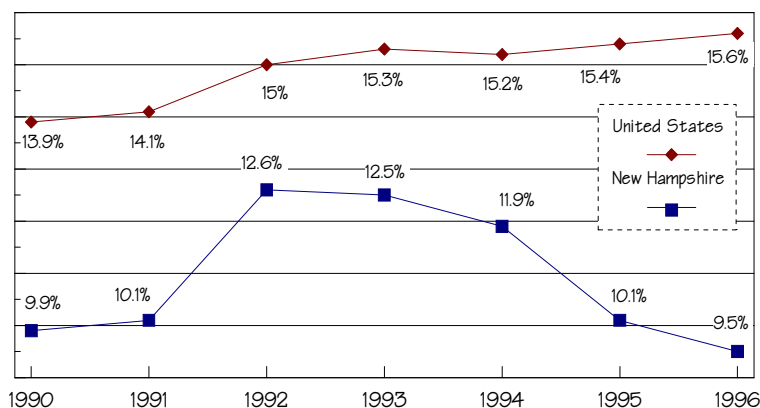


Figure 15b: Percent of Population Without Health Care Coverage  
New Hampshire and United States, 1990-1996

Source: US Bureau of the Census: Household Economic Studies

tive health care practitioner in 1990, and spent at least \$10 billion, almost entirely out-of-pocket, on alternative care. Those numbers are on the rise, with some estimates on the current value of alternative health care reaching \$50 billion. This trend is being led by consumers of health care, who are demanding alternatives to surgery or drug therapies. Frequently, conventional medical treatments are not effective in cases of chronic disease or debilitating conditions, and patients are turning to complementary treatments for relief. Many also use alternative therapies to maintain or improve their health, not just for disease treatment.

In New Hampshire, alternative medical practitioners are gaining greater respect. Chiropractors, naturopathic practitioners, massage therapists, and acupuncturists all require State of New Hampshire licensure, providing an avenue for quality care. The article by Peg Boyles refers to a 1995 regional study by the Dartmouth Primary Care Cooperative Research Project, which reported that over fifty percent of primary care doctors recommended alternative treatments to their patients. Also:

- Four New Hampshire managed care health plans offer, or will soon offer, coverage for alternative therapies.

- Lakes Region General Hospital has established a holistic health clinic; and Capital Region Health Care has created a Spiritual Care Department.
- A Lyme physician is building an “integrative health” facility, bringing a naturopathic doctor, an acupuncturist, a chiropractor, an osteopath, a clinical psychologist, a physical therapist, and a nutritional counselor together into one practice.
- A Londonderry manufacturer offers free on-site massage therapy to employees, and brings alternative health care practitioners in to speak about natural healing alternatives at company meetings.<sup>5</sup>

Increasingly, New Hampshire health practitioners are recognizing the value of combining traditional treatments with complementary alternative treatments for maximum benefits to their patients. Demands from patients who are also becoming increasingly aware of their options for treatment, will further encourage practitioners and insurers to integrate complementary medical treatments into health care.

*Katrina Evans*

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<sup>1</sup> ReliaStar Financial Corp., *ReliaStar State Health Rankings*, Minneapolis, MN, 1997.

<sup>2</sup> Bennefield, Robert L., *Health Insurance Coverage: 1996*, US Census Bureau Current Population Reports Number p.60-199, September 1997.

<sup>3</sup> “Agency seeks answers for those who don’t have any health insurance”, Health Talk section, *N.H. Business Review*, October 24-November 6, 1997, p. 13.

<sup>4</sup> Boyles, Peg, “Alternative Medicine Goes Main stream Across N.H. ”, *New Hampshire Business Review*, August 15-31, 1997, p.28.

<sup>5</sup> Ibid, p. 28.

## 16. CRIME AND ACCIDENTS

Being tagged Number One is not always an honor. New Hampshire proudly moved from 47th to 49th place in the nation in the Morgan Quitno ranking of Most Dangerous State Awards. Only North Dakota was deemed a safer place to be in the 1997 release. Maine followed New Hampshire in 48th place; Vermont lost its safest designation and fell to 47th place. The other three New England states ranked

### Total traffic accidents reported skyrocketed from 28,875 to 37,515

36th (Rhode Island), 32nd (Connecticut), and 26th (Massachusetts).

To quantify the safety of each state, fourteen to sixteen categories of crime, police, and corrections are weighted. Under the category of crime, the incidence of six offenses are measured. Rankings in these six offenses are as follows:

Crime	NH rank	Safest (50th)	Most Dangerous (1st)
Murder	47th	North Dakota	Louisiana
Rape	33rd	Nebraska	Alaska
Robbery	44th	North Dakota	Maryland
Assault	49th	South Dakota	South Carolina
Burglary	49th	South Dakota	Florida
Motor vehicle theft	47th	South Dakota	Arizona

Source: Morgan Quitno Press using data from Federal Bureau of Investigation *Crime in the United States 1995*

Nevada, Florida, and Louisiana led the nation as the most dangerous states. Because of a change in the collection methodology, comparisons between 1997 and previous years should be made with caution.

### Parole and Probation

As of December 31, 1996, 2.8 percent of the adult population in the United States was incarcerated, on probation, or on parole. That is about one of every thirty-five adults in the nation. New Hampshire, on that date, had 7,551 adults in court status. That is 0.81 percent or one in every 108 adults in the state.

Probation is a court status suspending a sentence of a convicted offender and giving him or her freedom while reporting to a probation officer. Parole is the conditional, supervised release following a prison sentence and can be granted only by the executive branch of the government.

During 1996 the number of adults on probation in New Hampshire climbed a minute 1.5 percent, from 4,347 to 4,414. This was the fifth lowest number in the nation, bested only by North and South Dakota, Wyoming, and Arizona. With 509 probationers per 100,000 population, the Granite State had the third lowest ratio in the nation. The number of parolees, on the other hand, rose from 785 to 1,066, a 35.8 percent jump. This was the largest percentage increase in the nation, well ahead of Alaska's 20.5 percent increase. Thirteen states had a smaller parole population and, at 123 parolees per 100,000 population, New Hampshire and Vermont tied with the 22nd lowest ratio of the 50 states.

Both the crime index total and the crime index total per 100,000 population for New Hampshire increased, 7.6 percent and 6.3 percent, respectively. These percentage increases were the highest in the nation. Georgia, with increases of 7.3 and 5.1 percent, respectively, was the only state with increases close to those of New Hampshire. The United States recorded decreases of 2.8 percent total and 3.7 percent per 100,000 population.

16. CRIME AND ACCIDENTS	1993	1994	1995	1996	Source
<b>CRIME OFFENSES</b>					
Total crime offenses	32,681	31,165	30,484	32,809	FBI
Annual percent change	-4.5%	-4.6%	-2.2%	7.6%	FBI
Violent crime offenses	1,550	1,328	1,314	1,373	FBI
Annual percent change	11.0%	-14.3%	-1.1%	4.5%	FBI
Property crime offenses	31,131	29,837	29,170	31,436	FBI
Annual percent change	-5.2%	-4.2%	-2.2%	7.8%	FBI
<b>TOTAL CRIME INDEX (Rate per 100,000 population)</b>					
New Hampshire	2,905.0	2,741.0	2,655.4	2,823.5	FBI
Connecticut	4,650.4	4,548.0	4,503.2	4,227.7	FBI
Maine	3,153.9	3,272.7	3,284.7	3,394.1	FBI
Massachusetts	4,893.9	4,441.0	4,341.6	3,837.1	FBI
Rhode Island	4,499.0	4,119.1	4,244.5	3,993.5	FBI
Vermont	3,972.4	3,250.3	3,433.7	3,002.9	FBI
United States	5,484.4	5,373.5	5,275.9	5,078.9	FBI
<b>VIOLENT CRIME INDEX (Rate per 100,000 population)</b>					
New Hampshire	137.8	116.8	114.5	118.2	FBI
Connecticut	456.2	455.5	405.9	412.0	FBI
Maine	125.7	129.9	131.4	124.9	FBI
Massachusetts	804.9	707.6	687.2	642.2	FBI
Rhode Island	401.7	375.5	368.0	347.2	FBI
Vermont	114.2	96.9	118.3	121.2	FBI
United States	746.8	713.6	684.6	634.1	FBI
<b>CRIMINAL ARRESTS</b>					
Total	34,847	36,498	35,400	37,615	DS
Annual percent change	-3.3%	4.7%	-3.0%	6.3%	DS/NHES
Adult	-4.0%	0.2%	-4.3%	1.2%	DS
Juvenile	0.4%	26.8%	1.9%	24.5%	DS
Drug Offenses, Total	2,553	3,081	3,035	2,991	DS
Annual percent change	11.7%	20.7%	-1.5%	-1.4%	DS/NHES
Adult	7.8%	13.2%	-2.8%	-7.0%	DS
Juvenile	69.2%	92.6%	5.8%	27.4%	DS
DWI, Total	5,623	5,900	5,487	5,523	DS
Annual percent change	-10.8%	4.9%	-7.0%	0.7%	DS/NHES
Adult	-10.9%	4.8%	-7.3%	0.4%	DS
Juvenile	0.0%	18.3%	16.9%	15.7%	DS
<b>STATE PRISON POPULATION (June 30th)</b>					
Number of prisoners in State prison	1,988	2,056	2,087	2,064	DJ
Incarceration rate (prisoners/100,000 population)	176.7	180.8	181.8	177.6	DJ/NHES
U.S. incarceration rate (federal and state jurisdiction)	351	365	403	427	DJ
Probation and parole caseload (FY ending 6/30)	4,970	5,390	5,583	5,360	DC
<b>TRAFFIC ACCIDENTS</b>					
Total accidents reported	24,339	26,158	28,875	37,515	DS
Annual percent change	-5.3%	7.5%	10.4%	29.9%	DS/NHES
Total injuries reported	11,684	10,928	11,508	12,310	DS
Annual percent change	-15.4%	-6.5%	5.3%	7.0%	DS/NHES
Fatal motor vehicle accidents	108	105	107	125	DS
Number of fatalities	122	119	118	134	DS
Percent alcohol involved	35%	36%	30%	28%	DS
Fatalities per 100 million vehicle miles	1.18	1.11	1.12	1.22	DT
<b>AUTO INSURANCE CLAIMS LOSS</b>					
Total Claims (\$ millions)	\$292.8	\$305.3	\$317.8	\$349.6	ID

## Deadbeat Parents

In January 1998 the third poster listing the top ten most wanted deadbeat parents was issued by New Hampshire Health and Human Services Office of Child Support. Of the ten men featured on the second poster issued in November 1996, eight have been found. The poster is also displayed on the Internet.

Approximately 30,000 orders for support have been established and an additional 16,000 cases are in the process of establishing paternity. Of those ordered to make payment, half are doing so. This is one of the highest percentages of collections in the nation. Collections increased approximately thirteen percent from \$53 million in FY 1996 to \$59 million in FY 1997. The half not being collected are under enforcement. The U.S. Congress established the New Hire Reporting law to assist in this enforcement. Every employer in the nation is now required to report all newly hired employees, and other individuals contracted for services of \$2,500 or more, to a state employment security agency. Employers have 20 days from the date of hire to report the information, which is then passed on to the Department of Health and Human Services. They will then match the information against child support records. It is then further transmitted to the National Directory of New Hires.

## Traffic Accidents

1996 was not a good year on New Hampshire highways. Insurance claims jumped by nearly \$32 million, an over-the year increase of ten percent. Total traffic accidents reported skyrocketed from 28,875 to 37,515.

Concurrently, most subcategories rose proportionately. In addition to the increases in total accidents, total injuries, and fatal motor vehicle accident data reported in the accompanying table, there were 18 pedestrians killed versus 11 in 1995 and 14 fatal accidents involving commercial vehicles, eight more than the previous year. Merrimack County was the site of more than its share of 1996 fatalities with 26. That was 16 more than in the previous year. Unfortunately, the latest 1997 numbers statewide, in all categories of vehicle accidents, nearly mirror those of 1996.

*Martin Capodice*

1996 Saw Large Increases In Traffic Mishaps

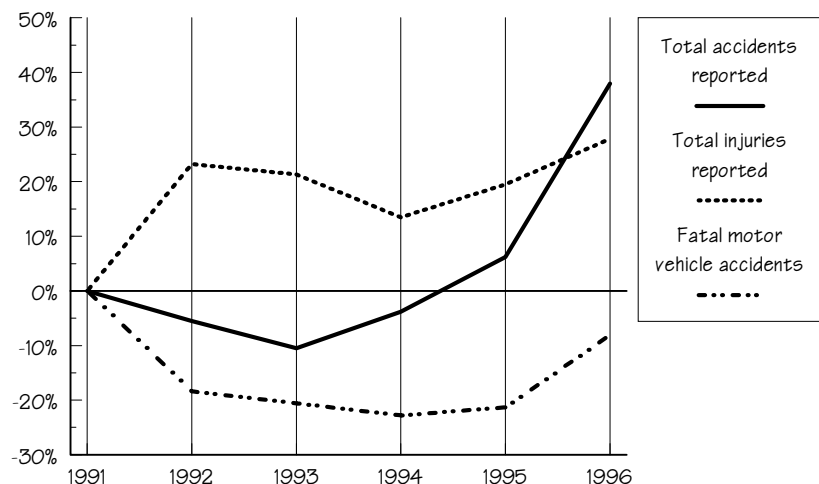


Figure 16a: Percentage Change of Accidents, Injuries, and Fatalities 1991-1996

## 17. ENVIRONMENT

The U.S. Environmental Protection Agency sets national air quality standards. These are measured in micrograms per cubic meter ( $\text{Fg}/\text{m}^3$ ) or in parts per million (ppm). Ambient air quality is measured for levels of carbon monoxide (CO), lead (Pb), nitrogen dioxide ( $\text{NO}_2$ ), ozone ( $\text{O}_3$ ), suspended particulate matter, and sulfur dioxide ( $\text{SO}_2$ ). Carbon monoxide deprives the brain and heart of oxygen while lead causes brain damage. Ozone, nitrogen oxides, sulfur dioxide, and suspended particulate matter cause respiratory tract problems, eye irritation, and lung damage. Automobile exhaust, according to the New Hampshire Division of Air Resources, is responsible for about half of the state's air pollution. Automobile exhaust combined with sunlight causes smog.

Concern about automobile emissions sparked the Environmental Protection Agency (EPA) to amend the Clean Air Act in 1990. The amendment called for a fifteen percent reduction from 1990 emissions levels by 1996. The state Department of Environmental Services demonstrated in the summer of 1996 that a reduction of more than 18 percent had been achieved. The EPA agreed that the 15 percent requirement had been met in a notice of proposed rule making published in the October 27, 1997 *Congressional Record*. This did not absolve the state from an EPA requirement to adopt an enhanced motor vehicle inspection and maintenance (I/M) plan (motor vehicle emissions testing) in the state's three southeastern counties. The EPA has determined that federal law requires emissions testing even though the 15 percent standard was met. It issued a sanction to New Hampshire on June 6 for failure to implement an I/M program for Hillsborough, Rockingham, and Strafford Counties. The state's Department of Environmental Services is working with the Vehicle Emissions Advisory Committee of the state legisla-

ture to find a method of implementing emissions testing that will be acceptable to both the legislature and the EPA. Failure to implement a program within eighteen months of the sanction being assessed can lead the EPA to raise the state's offset ratios for major new sources of emissions from 1.2:1 to 2:1 potentially

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### 99.6 percent of streams and rivers in the state are fully supportive of all swimming

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stifling new development. After twenty-four months, the EPA can cut off federal highway funds to the three counties.

Other sources of pollution are coal burning plants, the transportation industry, printers, manufacturers which discharge nitrogen oxides ( $\text{NO}_x$ ) or volatile organic compounds (VOC), and plants that emit methanol and trichloroethanol or any other of the 189 regulated substances. In 1994 the New Hampshire Legislature passed a law allowing businesses to trade emission credits. If a new manufacturer in the southern part of the state will emit  $\text{NO}_x$  or VOC, it will be required to buy emission credits. If the emissions are less than expected, they can either sell credits to another firm or keep them for future expansion. Temporary rules for this credit swapping went into effect in January 1997. Public Service Company of New Hampshire and the University of New Hampshire became the first to generate surplus credits under the law. They may choose to save their credits for their own use or trade them with other firms.

A significant portion of New Hampshire's and New England's pollution problems are transported by our prevailing southwest winds from upwind states elsewhere in the Northeast and in the Midwest. In August, the Governor

authorized DES and the U.S. Department of Justice to file a legal petition under Section 126 of the Clean Air Act to force the EPA to impose stringent controls on big upwind polluters that contribute significantly to New Hampshire's air quality problems. Accompanying New Hampshire in this action were other Northeast states including the other five New England states, New York, and Pennsylvania.

### Air Quality Monitoring Data

In 1996 there were no observed exceedences at either of the two CO monitoring sites in New Hampshire of the 35 ppm one-hour limit for carbon monoxide. The Manchester site reported one exceedence (13.5 ppm) of the eight-hour average limit of 9 ppm. The second highest eight-hour average at Manchester was 7.6 ppm.

New Hampshire discontinued lead monitoring in 1995 because air quality levels were well below 0.1 percent of the national ambient air quality standard (NAAQS) of 1.5 Fg/m<sup>3</sup>.

Nitrogen dioxide (NO<sub>2</sub>) monitoring was performed at sites in Manchester and Portsmouth. Although the mean concen-

tration rose at both sites, the higher of the two, Manchester at 19 Fg/m<sup>3</sup>, still measured less than a fifth of the NAAQS for NO<sub>2</sub> of 100 Fg/m<sup>3</sup>.

For the first time since 1992, the Rye Harbor ozone monitoring site did not exceed the O<sub>3</sub> air quality standard of 0.125 ppm. It reported the highest daily maximum value of the state's seven monitoring sites, 0.110 ppm, 92 percent of the standard. In 1995 Rye Harbor had been the only site in the state to report an exceedence.

There were no exceedences of the particulate (PM<sub>10</sub>) standards recorded at thirteen monitoring sites. The highest 24-hour values were at Keene where the second maximum value of 48 Fg/m<sup>3</sup> was 30 percent of the daily standard. Daily PM<sub>10</sub> values dropped over 50 percent in Groveton which had recorded the highest concentrations in 1995. The second highest of maximum readings recorded is important because the absolute maximum reading might be an anomaly. The maximum annual average was in Berlin where a concentration of 28 Fg/m<sup>3</sup> equaled 56 percent of the NAAQS.

Eleven sulfur dioxide (SO<sub>2</sub>) monitoring sites reported no exceedences or violations in 1996. The highest arithmetic annual mean was reported in Manchester — 7 ppb or 23 percent of the EPA standard. Groveton reported the highest 24-hour second maximum of 45 ppb or 32 percent of the standard as well as the highest three-hour second maximum of 152 ppb, 30 percent of the NAAQS.

### Water Quality

The Clean Water Act of 1972 was passed by Congress with the intent of monitoring and reducing the amount of pollution directly discharged into any water sources. Businesses that discharge water into existing waterways are required to have a National Pollution Discharge Elimination System permit, issued by the New Hampshire Department of Environmental Services (DES). Metallic and

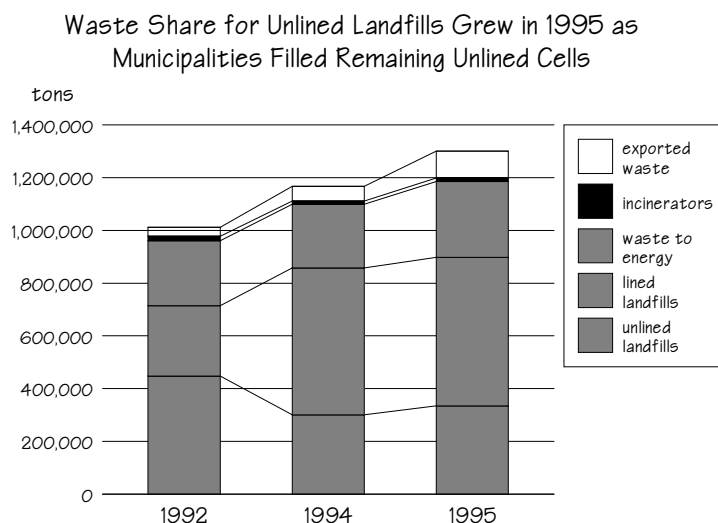


Figure 17a: Solid Waste Disposal Methods, 1992, 1994 & 1995



17. ENVIRONMENT	1993	1994	1995	1996	Source
<b>WATER QUALITY</b>					
Lakes and ponds:					
Total acres assessed	160,952	n/a	161,384	n/a	WSP
Fish Consumption:					
Acres Fully Supporting <sup>a</sup>	160,952	n/a	161,384	n/a	WSP
Aquatic Life:					
Acres Fully Supporting	147,418	n/a	145,563	n/a	WSP
Acres Partially Supporting	4,211	n/a	6,008	n/a	WSP
Acres Not Supporting	3,064	n/a	4,525	n/a	WSP
Acres Not Assessed <sup>a</sup>	6,258	n/a	5,288	n/a	WSP
Swimming:					
Acres Fully Supporting	145,382	n/a	150,910	n/a	WSP
Acres Partially Supporting	4,989	n/a	4,505	n/a	WSP
Acres Not Supporting	3,794	n/a	322	n/a	WSP
Acres Not Assessed	6,787	n/a	5,647	n/a	WSP
Rivers and streams:					
Total miles assessed	10,881	n/a	10,881	n/a	WSP
Fish Consumption:					
Miles Fully Supporting	10,868	n/a	10,868	n/a	WSP
Miles Not Supporting <sup>a</sup>	13	n/a	13	n/a	WSP
Aquatic Life:					
Miles Fully Supporting	10,806	n/a	10,852	n/a	WSP
Miles Partially Supporting	67	n/a	26	n/a	WSP
Miles Not Supporting <sup>a</sup>	8	n/a	3	n/a	WSP
Swimming:					
Miles Fully Supporting	10,775	n/a	10,840	n/a	WSP
Miles Partially Supporting	32	n/a	23	n/a	WSP
Miles Not Supporting <sup>a</sup>	74	n/a	18	n/a	WSP
<b>SOLID WASTE Residential and Commercial<sup>b</sup>(tons per year-000s)</b>					
Generated	n/a	1,168.0	1,301.3	n/a	WMD
Recycling	n/a	n/a	275.0	n/a	WMD
Disposed of (generated less recycling and divergence)	1,046.2	910.9	945.9	n/a	WMD
Pounds per person per day	5.09	4.38	4.51	n/a	WMD
Exported	n/a	55.5	101.6	n/a	WMD
Imported (for incineration and landfill)	n/a	603.2	623.4	n/a	WMD
<b>AIR QUALITY</b>					
Ozone levels (ozone season April 1 to October 31):					
Average four highest maximum hourly values					
in parts per million, selected monitoring sites					
Manchester	0.101	0.091	0.093	0.102	EPA
Nashua	0.119	0.104	0.088	0.098	EPA
Portsmouth	0.104	0.111	0.112	0.098	EPA
Rye	0.111	0.121	0.130	0.107	EPA
Days above federal standard (0.125 ppm)	3.0	2.0	3.1	0.0	EPA
Carbon Monoxide:					
Second maximum eight-hour concentration					
[Federal standard 9 ppm (parts per million)]					
Manchester	4.5	6.9	5.9	7.6	EPA
Nashua	5.8	9.2	7.6	5.4	EPA

<sup>a</sup> This data does not include the statewide freshwater fish consumption advisory due to mercury which was issued by the N.H. Department of Health and Human Services in 1994. The primary source of mercury is believed to be atmospheric deposition from upwind states. Other New England states have similar fish consumption advisories in effect.

<sup>b</sup> Estimated prior to 1994 based on population estimates more recent New Hampshire solid waste disposal patterns

The State's Goal is to Reduce the Amount of Waste  
Per Capita Going into Landfills Each Day by 40%  
Between 1990 and 2000

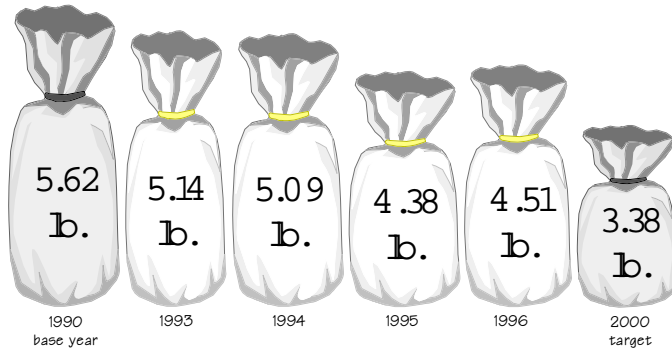


Figure 17b: Pounds of Waste Per Capita Per Day  
Base Year 1990 to Projected Year 2000

organic pollutants must be discharged back into outside water sources at lower concentrations than naturally occur in the surrounding area. Firms must also be concerned with the toxicity of water being sent to publicly owned treatment facilities and the heat of water being released to sources outside the plant.

The DES is responsible for monitoring all water sources in the state. In 1988, state legislation established a program intended to protect significant rivers through the cooperation of state and local governments. From 1990 to 1993, eleven rivers (counting the lower and upper segments of the Merrimack River separately) totaling 650.7 miles were designated as protected. The 1995 designation of the Exeter River added another 33.3 miles. A river may be nominated for protection by submission of an inventory of the river's resources to the DES commissioner. After review and a public hearing, the commissioner then forwards the nomination to the legislature for adoption of a bill designating the river as significant. Protected rivers are to be managed for the best interests and overall usage of the waterways, to include protection measures related to dams, hydro-electric facilities, channel alterations, water quality, and any other activity that would adversely affect the river.

Based on a 1995 survey<sup>1</sup> of surface water in New Hampshire, 99.6 percent of streams and rivers in the state (of 10,881 miles surveyed) and 96 percent of lakes and ponds (155,737 acres surveyed) are fully supportive of all swimming. All open ocean waters within the state's jurisdiction are fully supportive of all uses. Water assessment is based on bacteriological, physical, and chemical analysis taken during dry weather.

Like many other states, New Hampshire has a freshwater fish consumption advisory in effect due to atmospheric mercury. The primary source of this mercury is believed to be upwind states. Because of the advisory, all of the state's rivers, streams, lakes, and ponds are considered to be less than fully supporting of all uses. The advisory does not suggest refraining completely from consumption of the state's freshwater fish, but it does recommend limiting the amount consumed. Disregarding the mercury advisory, 99.9 percent of all freshwater rivers and streams surveyed and all freshwater lakes and ponds surveyed fully support fish consumption according to the 1996 report.

A water quality verification study, published in 1995, indicated that forty-four stream segments met the federal requirements established in the Water Quality Act of 1987, and will be removed from the exceedence list of 109 stream segments. Twenty-five stream segments were found to have naturally occurring water exceedences, seventeen caused by wetlands.

Reasons for cleaning up the state's water resources are more extensive than just making the water swimmable or fishable. Polluted water is likely to have an effect on animals drinking the water. This effect will continue up the food chain.

<sup>1</sup> *The State of New Hampshire 1996 Section 305(b)* (of the Federal Water Pollution Control Act) *Water Quality Report* submitted to Congress by New Hampshire Department of Environmental Services.

Furthermore, clean water promotes vegetation along the banks. This inhibits erosion.

### **Solid Waste Management**

Until the mid 1970s most solid waste was disposed of in landfills or town dumps. With the passage of the Resource Conservation and Recovery Act of 1976, cities and towns began to develop nonpolluting methods of solid waste disposal. In 1994 landfills still handled 73.4 percent of New Hampshire's solid waste. In 1992 lined landfills received 26.4 percent of the state's solid waste, but by 1994 that percentage had increased significantly to 47.6 percent of the solid waste disposed of in New Hampshire.

Incinerators were hailed as the wave of the future in the 1970s and the 1980s. Their numbers did not increase in the 1990s, likely because of the passage of the Clean Air Act of 1990. It set strict standards on the amount of dangerous or offensive emissions allowed. There are now fourteen incinerators that handle municipal waste. Two closed during 1996. The closing of the Durham facility brings the number of the state's waste-to-energy incinerators to two. Incinerators managed 17 percent of all waste disposal in 1993, down from over 24 percent in 1992. Of the two incinerators with waste-to-energy facilities, by far the largest is the one located in Concord. It handled 184,829 tons in 1994, more than two and one half times the volume of the other facility, which is located in Claremont. The twelve incinerators with no waste-to-energy facilities have capacities ranging from 6,200 tons per year to as little as 290 tons per year.

Nearly half of all solid waste disposed of in New Hampshire is received by the Turnkey lined landfill in Rochester which is privately owned by Waste Management, Inc. With the projected closure of the state's remaining unlined landfills and small incinerators, this facility is the cornerstone of New Hampshire's medium- and long-term disposal outlook. As part of its permit conditions, it is committed to provide 15 years of disposal capacity for the state's solid waste. Massachusetts is the major exporter of waste to New Hampshire. In 1995 the Bay State sent over 465,000 tons of waste into New Hampshire.

### **Superfund Cleanup**

New Hampshire has eighteen sites on the Super Fund National Priorities List. As of June 1997, one site cleanup had been completed and was in the monitoring phase, eleven sites were in the cleanup phase, three sites were in the design phase, and three sites were in the site investigation phase. In addition, an Emergency Removal Action by the EPA was completed in June of 1997 at the former Johns Manville Company asbestos plant site in Nashua. In response to an emergency request by the state, removal activities were begun in the summer of 1995. As the result of the cooperative efforts of the EPA, the state's DES and Department of Health and Human Services Office of Health Management, the City of Nashua, and the Neighborhood Task Force the project was completed in less than two years. More than 65,000 tons of asbestos-contaminated debris were taken to the Nashua landfill for disposal. According to an EPA press release dated June 23, 1997, the total cost was \$20 million with EPA investing \$6 million.

*Peter S. Bartlett*

## DIRECTORY OF SOURCES

Abbreviation	Provider
AS	New Hampshire Department of Administrative Services
AR	New Hampshire Association of Realtors
BD	New Hampshire Banking Department
BEA	Bureau of Economic Analysis, United States Department of Commerce
BFA	New Hampshire Business Finance Authority
BKR	U.S. Bankruptcy Courts, Administrative Office of United States Courts
BLS	Bureau of Labor Statistics, United States Department of Labor
CB	Bureau of the Census, United States Department of Commerce
CTC	New Hampshire Department of Postsecondary Community Technical Education
DC	New Hampshire Department of Corrections
DE	New Hampshire Department of Education
DHS	Division of Human Services, New Hampshire Department of Health and Human Services
DJ	United States Department of Justice
DRED	N.H. Department of Resources and Economic Development
DS	New Hampshire Department of Safety
DT	New Hampshire Department of Transportation
EC	Electric Council of New England
EEI	Edison Electric Institute Statistical Yearbook
EIA	Energy Information Administration, United States Department of Energy
EPA	United States Environmental Protection Agency
F&G	New Hampshire Department of Fish and Game
FBI	Federal Bureau of Investigation
FDIC	Federal Deposit Insurance Corporation
FHLMC	Federal Home Loan Mortgage Corporation
FR	Federal Reserve Bank of Boston
FWD	F.W. Dodge, McGraw Hill Publishing Company
HA	New Hampshire Hospital Association
HFA	New Hampshire Housing Finance Authority (NHHFA)
ID	New Hampshire Insurance Department

<b>Abbreviation</b>	<b>Provider</b>
<b>LC</b>	New Hampshire Liquor Commission
<b>LD</b>	New Hampshire Department of Labor
<b>MBA</b>	Mortgage Bankers Association of America
<b>NAR</b>	National Association of Realtors
<b>NCUA</b>	National Credit Union Administration
<b>NEEP</b>	New England Economical Projects
<b>NHES</b>	New Hampshire Employment Security
<b>OCC</b>	Federal Office of Comptroller of Currency
<b>OFA</b>	Office of Family Assistance, Administration of Children and Families, U.S. Department of Health and Human Services
<b>OFS</b>	Federal Office of First Supervision
<b>OBID</b>	Office of Business and Industrial Development, N.H. Department of Resources and Economic Development
<b>OSP</b>	New Hampshire Office of State Planning
<b>OTTD</b>	Office of Travel and Tourism Development, Department of Resources and Economic Development
<b>P&amp;R</b>	Division of Parks & Recreation N.H. Department of Resources and Economic Development
<b>PA</b>	New Hampshire Port Authority
<b>PEC</b>	New Hampshire Postsecondary Education Commission
<b>PM</b>	New Hampshire Pari-mutuel Commission
<b>PS</b>	United States Postal Service, Manchester Field Division
<b>PSNH</b>	Public Service Company of New Hampshire
<b>RA</b>	New Hampshire Department of Revenue Administration
<b>SMM</b>	Sales and Marketing Management
<b>SSA</b>	United States Social Security Administration
<b>SST</b>	New Hampshire Office of Secretary of State
<b>UED</b>	United States Department of Education
<b>UIS</b>	United States Department of Labor, Unemployment Insurance Service
<b>VS</b>	Bureau of Vital Records/Health Statistics, Division of Public Health Services, N.H. Department of Health and Human Services
<b>WMD</b>	Waste Management Division, New Hampshire Department of Environmental Services
<b>WSP</b>	Water Supply and Pollution Control Division, New Hampshire Department of Environmental Services

## GLOSSARY AND INDEX

### **Aid to Families with Dependent**

**Children (AFDC):** A federal/state program through the New Hampshire Division of Human Services providing cash benefits to needy families with dependent children. (*Section 14*)

**Air Quality Standards:** The quality of air, as monitored at various sites throughout the state for the following pollutants: lead, ozone, nitrogen oxide, carbon monoxide, sulfur dioxide, and suspended particulate matter. (*Section 17*)

### **Alcohol-Involved Traffic Accident:**

Either driver, biker, or pedestrian reported consuming alcohol prior to the accident (blood alcohol level of .04 or above). (*Section 16*)

**Applicant:** A person who contacts a local office of New Hampshire Employment Security to seek employment or obtain employability development services. An applicant active at anytime during a program year may have applied more than once during a twelve month period but is only counted once. (*Section 3*)

**Assisted-Rental Housing:** Several programs provide both project-based and certificate-based financial assistance for low income housing renters including NHHFA (New Hampshire Housing Finance Authority), HUD (U.S. Dept. of Housing and Urban Development), FmHA (Farmers' Home Administration), and local housing agencies. (*Section 9*)

### **Average Weekly Earnings, Production**

**Workers:** Average total money earnings of production or nonsupervisory workers in the survey week, including overtime, paid vacation, and sick leave. This data is based on a monthly sample. (*Section 13*)

### **Average Weekly Wage, Private Indus-**

**try:** Total wages paid divided by average employment divided by number of weeks for a given time period. (*Section 13*)

### **Benefits Paid, Unemployment Insur-**

**ance:** The money payable to an individual as compensation for wage losses due to unemployment. Includes benefits paid on wages earned in private industry, state and local government, and nonprofit organizations plus interstate benefits, adjusted for benefit recoveries, and for transfers under the interstate combined wage plan. (*Section 3*)

**Birth Rate:** Number of resident live births per 1,000 resident population (midyear). (*Section 1*)

**British Thermal Units (Btu):** The quantity of heat needed to raise the temperature of one pound of water by one degree Fahrenheit at or near 39.2 degrees Fahrenheit. (*Section 6*)

**Civilian Labor Force:** The noninstitutional civilian population age sixteen and over who are willing and able to work and who are either employed or actively seeking employment. (*Section 3*)

**Constant Dollars:** see *Current Dollars*

### **Consumer Price Index for Urban**

**Consumers (CPI-U):** A measure of the average change in the prices paid by urban consumers for a fixed market basket of goods and services. This index represents the buying habits of about 80 percent of the noninstitutional population of the United States. The current index uses a basket of goods and services surveyed in 1982 through 1984; the bundle's cost in 1982-84 prices is set equal to 100 and all price changes are relative to the

base prices. A CPI is not prepared specifically for New Hampshire, so generally the index for the entire United States is used. (*Section 13*)

**Contract Value Indices:** Value of construction contracts. *Total Construction:* Index of value of contracts let for new construction, additions, and major alterations, but not for maintenance. *Nonbuilding Construction:* highways, bridges, dams, utility systems, airports, etc. *Nonresidential Building Construction:* stores, factories, offices, hospitals, schools, etc. *Residential Construction:* single and multiple unit houses, hotels, motels, and dormitories. (*Section 9*)

**Current Dollars vs. Constant Dollars:** A means of allowing comparison of values over an extended time period. "Current dollars" is the amount enumerated at the time of the compilation of the data. "Constant dollars" is the amount, adjusted for inflation, occurring since the designated year. (*Section 7*)

**Death Rate, Crude:** Number of resident deaths per 1,000 resident population (midyear). (*Section 1*)

**Defense Contracts:** Awards made in fiscal year specified; related expenditures may extend over several years. (*Section 7*)

**Disability Benefits under Social Security:** For purposes of entitlement to benefits, disability is defined as the inability to engage in any substantial gainful activity, by reason of medically determinable physical or mental impairment severe enough to render the person unable to engage in any kind of substantial gainful work, regardless of availability of such work. (*Section 14*)

**Disposable Income:** see *Personal Income*

**Divorce Rate:** Number of divorces, annulments, and legal separations per 1,000 resident population (midyear). (*Section 1*)

**Durable/Nondurable Goods:** In both the manufacturing division and the wholesale trade division of the Standard Industrial Classification Manual, products are classified according to the estimated length of the life of the product. Durable is equipment or machinery normally expected to last longer than three years. (*Section 4*)

**Duration of Benefit Payments, Average:** Number of weeks compensated for unemployment during the year divided by the number of first payments. May include more than one period of unemployment. (*Section 3*)

**Earnings:** see *Average Weekly Earnings*

**Effective Buying Income (EBI):** Personal income less personal tax and non-tax payments similar to disposable income. Developed by *Sales and Marketing Management*, it is an indicator of the ability to buy. (*Section 8*)

**Electric Utility:** A corporation, person, agency, authority, or other legal entity or instrumentality that owns and/or operates facilities for the generation, transmission, distribution, or sale of electrical energy, primarily for use by the public, and that files forms listed in the Code of Federal Regulations, Title 18, Part 141. Facilities that qualify as cogenerators or small power producers under the Public Utility Regulatory Policies Act are not considered utilities. (*Section 6*)

**Energy Consumption:** Statistics include use of various forms of petroleum, natural gas, coal, nuclear fuels, and hydroelectric generation but exclude wood, waste, wind, solar, and photovoltaic sources. Physical units are converted to Btu. Adjustments to state data are made for interstate sales and include electrical system energy losses incurred in generation, transmission, and distribution of electricity plus plant use and unaccounted for electrical system energy losses. Data is gathered from a variety of surrogate measures selected on the basis of availability, applicability as an indicator of consumption, continuity over time, and consistency. (*Section 6*)

**Energy Generated, Net:** The total amount of electric energy (kilowatt-hours) produced by the generating units in a generating station less the kilowatt-hours consumed for station use. (*Section 6*)

**Establishment:** A single physical location at which business is conducted or where services or industrial operations are performed. All activities at the location are reported under the major activity. A "unit" may be made up of multiple "establishments." (*Section 5*)

**FmHA:** Farmers' Home Administration. (*Section 9*)

**Fuel Consumed to Generate Electricity:** Fuel required by all types of electricity generating plants. Coal, gas, and nuclear fuels are shown in equivalent barrels of oil. Oil is shown in 42 gallon barrels. One barrel of oil equals 0.276 tons of coal or 5.965 mcf (thousand cubic feet) of gas. (*Section 6*)

**Food Stamp Program:** A federal government-sponsored program to increase the buying power and the nutritional level of low income families. (*Section 14*)

**Gross Domestic Product (GDP):** The total output of goods and services produced by labor and property located in the United States, valued at market prices. (*Section 7*)

**Gross National Product (GNP):** A measure of the goods and services produced by labor and property supplied by U.S. residents in the United States or abroad. This measure has been generally replaced by the GDP. (*Section 7*)

**Gross State Product (GSP):** The state counterpart of the nation's gross domestic product (GDP). It is a measure of the market value of final goods and services produced by labor and property located in the state. (*Section 7*)

**High School Graduation Rate:** The percentage of ninth graders who receive a regular high school diploma four years later. For example: the graduation rate for 1995 is for students who were in the ninth grade in the fall of 1991. Graduation rates have been adjusted for interstate migration and unclassified secondary school enrollment. (*Section 2*)

**High Tech Industries:** Industries with a significant concentration of research and development (R&D) employment, where the proportion of R&D employment is at least equal to the average proportion for all industries. (*Section 5*)



**Home Sales of Existing Homes:**

Estimates based on multiple listing data. Projections are made with the cooperation of the National Association of Realtors. Data primarily consists of existing units of single family homes, town houses, condominiums, and cooperatives. Multiple units are excluded. (*Section 9*)

**HUD:** Department of Housing and Urban Development (*Section 9*)

**Implicit Price Deflator (IPD) for**

**GDP:** The ratio of GDP (gross domestic product) in current dollars to GDP in constant dollars. Prices of goods and services are surveyed in the current year and divided by prices of those same goods and services in the base year to yield the IPD. (*Section 13*)

**Inadequate Prenatal Care:** A pregnancy with no care or where care began during the third trimester. (*Section 1*)

**Incarceration Rate:** The number of persons confined in prison per 100,000 people in the state's resident population. Department of Justice rates pertain to prisoners from New Hampshire with sentences over one year, including those under either federal or state jurisdiction. (*Section 16*)

**Indexed Crime:** Selected offenses used to gauge fluctuations in the overall volume and rate of crime reported to law enforcement. The offenses included are the violent crimes of murder and nonnegligent manslaughter, forcible rape, robbery, and aggravated assault; and the property crimes of burglary, larceny/theft, motor vehicle theft, and arson. (*Section 16*)

**In-migration:** That part of the increase in the population not attributable to the natural increase rate. Generally, this is the populace moving to New Hampshire from an out-of-state residence. (*Section 1*)

**Inpatient Days:** The number of days that patients (excluding newborns) spend in a hospital, including the day of admission but not the day of discharge. (*Section 15*)

**Labor Force Participation Rate**

**(Civilian):** The percentage of the civilian noninstitutional population age sixteen or older that is working or looking for work. (*Section 3*)

**Late Prenatal Care:** Prenatal care that does not begin until the third trimester of pregnancy. (*Section 1*)

**Manufacturers' Shipments:** The received or receivable net selling values, FOB plant (exclusive of freight and taxes), of all products shipped, both primary and secondary, as well as miscellaneous receipts, such as receipts for contract work for others, installation and repair, sales of scrap, and sales of products bought and resold without further processing. (*Section 7*)

**Marriage Rate:** Number of marriages per 1,000 resident population (mid-year). (*Section 1*)

**Meals and Rooms Receipts:** Estimate of sales by hotels, motels, and eating and drinking establishments based on taxes received under the Meals and Rooms authority. (*Section 8*)

**Medicaid:** A joint governmental program known as Title XIX of the Social Security Act. The program provides medical assistance to low income individuals and families. Currently it is the largest jointly funded cooperative program between federal and state governments to assist states in the provision of health services to the poor. (*Section 14*)

**Medicare:** A federal program providing hospital insurance and supplementary medical insurance for persons who are eligible for retirement benefits and have attained the age of 65, disabled persons entitled to social security disability benefits, and workers or their dependents with permanent kidney failure. Medicare's official name is Title XVIII of the Social Security Act. (*Section 14*)

**Natural Increase Rate:** The number of resident births minus deaths per 1,000 total resident population. (*Section 1*)

**Nonfarm Wage and Salary Employment:** Place of work employment that does not include private household workers, self-employed, unpaid family workers, and domestics or agricultural workers. (*Section 4*)

**Nondurable Goods:** see *Durable Goods*.

**Nonperforming Loans:** Loans and leases 90 days or more pastdue or in nonaccrual status. (*Section 11*)

**OASDI:** Old-Age and Survivors Insurance and Disability Insurance. See *Social Security*.

**Occurrences:** Births, deaths, and other vital events that are recorded regardless of residence. (*Section 1*)

**Pari-Mutuel:** A system of wagering where the bettors who wager on competitors placing in the first three positions share the total pool minus a percentage for the management. (*Section 8*)

**Part-Time Work:** Work that is less than 35 hours per week. (*Section 3*)

**Personal Income:** The current income received by all the residents of the state from all sources, including wages and salary disbursements, other labor income, proprietors' income, rental income, interest, dividends, and transfer payments; less personal contributions for social insurance. *Per Capita Personal Income* is personal income divided by the July 1st resident population. *Disposable Personal Income* is personal income less tax and nontax payments. (*Section 13*)

**Poverty:** Total money income (wages, transfer payments, unearned income, etc.) for a year, below designated poverty thresholds based on the cost of a nutritionally adequate food plan, with variations for family size, adjusted annually according to the Consumer Price Index. (*Section 14*)

**Property Tax Rates, Equalized:** A uniform standard for comparing tax rates between towns and counties. (*Section 12*)

**Property Tax Rates, Full Value:** The tax rate if property were assessed at its full market value. Rates represent tax on each \$1,000 of a property's market value. (*Section 12*)

**Property Tax Assessment Ratio:** The full value assessment ratio is a comparison between current assessments (local tax rate) and full market value (full value tax rate). (*Section 12*)

**Rural Traffic Count:** Automatic traffic counter data recorded on NH and US roadways designated as rural areas. Data is collected and reported by the Department of Transportation, Bureau of Transportation Planning. (Section 10)

**Scholastic Assessment Test Score:** Mean test score for all students in the state who took the SAT exam during the designated academic year. (Section 2)

**Social Security:** National Old-Age and Survivors Insurance and Disability Insurance (OASDI). The largest income maintenance program in the United States. Provides monthly cash benefits to individuals or their families to replace, in part, the income lost when a worker retires in old age, becomes severely disabled, or dies. Coverage is nearly universal, including about ninety-five percent of the jobs in this country. Funds come primarily from taxes on earnings in covered jobs and matching funds paid by employers and the self-employed. (Section 14)

**Temporary Assistance to Needy Families (TANF):** A system of federal block grants to states for the provision of welfare benefits. Replaces AFDC, JOBS, and Emergency Assistance Programs. (Section 14)

**Taxable Property Valuation:** Equalized valuation per capita in constant 1983 dollars. The equalized valuation reflects, insofar as possible, the true and market value of all taxable property in each community as determined by the Department of Revenue Administration. (Section 12)

**Time and Savings Deposits:** The sum of money market deposit accounts, savings deposits, time deposits, and individual retirement (IRA) and Keogh accounts. The data are monthly averages of daily dollar figures. (Section 11)

**Transfer Payments:** Part of personal income which includes Social Security benefits, unemployment insurance benefits, veterans benefits, government employment retirement, AFDC, etc. (Section 13)

**Unemployed:** Persons who were not employed during the monthly survey week but were available for work and were overtly engaged in a job seeking activity within the previous four week period, waiting to be recalled from a layoff, or waiting to report to a new job within thirty days. (Section 3)

**Unit in Private Covered Employment:** Any employer whose workers are covered by New Hampshire Unemployment Compensation law. In general, covered employers include any individual or organization who employs one or more workers within the state during the year. Examples of those exempted from unemployment compensation coverage are the self-employed, the employees of railroads, and employees of religious organizations. A single unit may have employment in more than one physical location (see *establishment*) in the state or even in a city or town. (Section 5)

**Unrestricted Revenue:** Moneys received by the state which may be appropriated by the Legislature for any purpose without constitutional limitations. (Section 12)

**Value Added by Manufacture:** A measure of manufacturing activity used for comparing the relative economic importance of manufacturing among industries and geographic areas. The cost of materials, supplies, fuels, etc. are subtracted from the value of shipments plus receipts for services rendered, and adjusted by adding value added by merchandising plus net change in finished goods and work-in-process between the beginning and the end of the year. (*Section 7*)

**Vehicle Registration:** A count of the registration certificates on file at the Department of Safety at the end of each calendar year. The definitions of passenger autos versus trucks are now based on body styles and not usage. Included in passenger auto registrations are two- and four-door cars, hatchbacks, station wagons, and all-purpose autos. Truck registrations consist of motor vehicles with body styles to carry cargo. Some of the styles incorporated are pickups, vans, school buses, and tractor trailers. Trucks are no longer assigned a commercial registration unless intended for business use. (*Section 10*)

**Wages:** see *Average Weekly Earnings, Production Workers*

**Water Quality Classification:** Water quality status of the state's surface and ground waters, as reported to Congress per the requirements of Section 305(b) of the Water Quality Act. (*Section 17*)

**Weekly Benefit Amount, Average:** Benefits paid for total unemployment during the year divided by the number of weeks compensated. Payments for partial unemployment are excluded. State and local government benefits are included. (*Section 3*)

**Weeks Compensated for Unemployment:** Number of weeks of unemployment for which benefits were paid including both total and partial unemployment. Includes state and local government. (*Section 3*)

**Workers' Compensation:** Specifies the level of medical and disability income benefits to be paid to injured workers and bars the employee from suing the employer for the injury. (*Section 15*)